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BOARD
MEMBERS

GEORGE R. REILLY
First District

ERNEST J. DRONENBURG, JR.
Vice Chairman
Second District

WILLIAM M. BENNETT
Third District

RICHARD NEVINS
Chairman
Fourth District

KENNETH CORY
State Controller

DOUGLAS D. BELL
Executive Secretary

ANNUAL REPORT 1979-1980

CALIFORNIA STATE BOARD OF EQUALIZATION

FISCAL YEAR ENDED JUNE 30, 1980

MAR 17 1981

TABLE OF CONTENTS

		Page
I.	BOARD MEMBERS	5
II.	THE BOARD	11
	History of the State Board of Equalization	13
	Organization Chart	14
III.	ADMINISTRATION	15
	Legislative Analysis	16
	Legal Services	16
	Data Processing	17
	Same Day Bank Deposit Program	18
	Office of Appraisal Appeals	18
	Tax Information	18
	Statistical Research and Consulting Services	19
	Personnel Management	19
	Collective Bargaining	19
	Training	20
	Equal Opportunity Employment	20
IV.	PROPERTY TAXES	22
	Assessment Standards	22
	Appraiser Certification and Training	23
	Assessment Practices Surveys	23
	Handbooks and Information Letters	25
	Contract Audit Program	26
	Property Tax Exemptions	26
	Assessment of Public Utility and Related Properties	27
	Audit of Utilities' Financial Records	28
	Private Railroad Car Tax	29
	Tax-Rate Area Mapping Program	29
	Local Property Tax Monitoring	30
	Timber Tax	32
	Property Taxes Legislation	34

		Page
V.	ECONOMIC ANALYSIS	35
	Introduction	35
	Recent Economic Developments	36
	Consumer Price Indexes and Inflation	38
	Revenues Depict Sharp Contrasts	40
	Taxable Sales Weaken	42
	Petroleum Developments	45
	Sales Level Off for Other Major Types of Business	46
VI.	BUSINESS TAXES	47
	Audit Activities	47
	Compliance Activities	49
	Registration	49
	Tax Return Processing	49
	Use Tax Activities	49
	Sales and Use Tax	50
	Local Sales and Use Taxes	51
	Transit District Transactions (Sales) and Use Taxes	51
	Use Fuel Tax	51
	Motor Vehicle Fuel License Tax	52
	Aircraft Jet Fuel Tax	52
	Alcoholic Beverage Tax	53
	Cigarette Tax	53
	Insurance Tax	54
	Energy Resources Surcharge	54
	Emergency Telephone Users Surcharge	55
	Business Taxes Legislation	56
VII.	TAX LITIGATION	58
	Property Taxes	58
	Sales and Use Tax	59
	Personal Income Tax	60
	Bank and Corporation Taxes	60
	Insurance Tax	61

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

GEORGE R. REILLY
First District, San Francisco
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM M. BENNETT
Third District, San Rafael
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

The Honorable Edmund G. Brown Jr.
Governor of California

Dear Governor Brown:

We are please to furnish to you the Annual Report of the State Board of Equalization for the 131st fiscal year, ended June 30, 1980. It includes a review of revenue activities assigned to the Board and a statement of our expenditures to administer them.

There is also included statistical information concerning both property and business taxes in which the Board is involved with state and local governments.

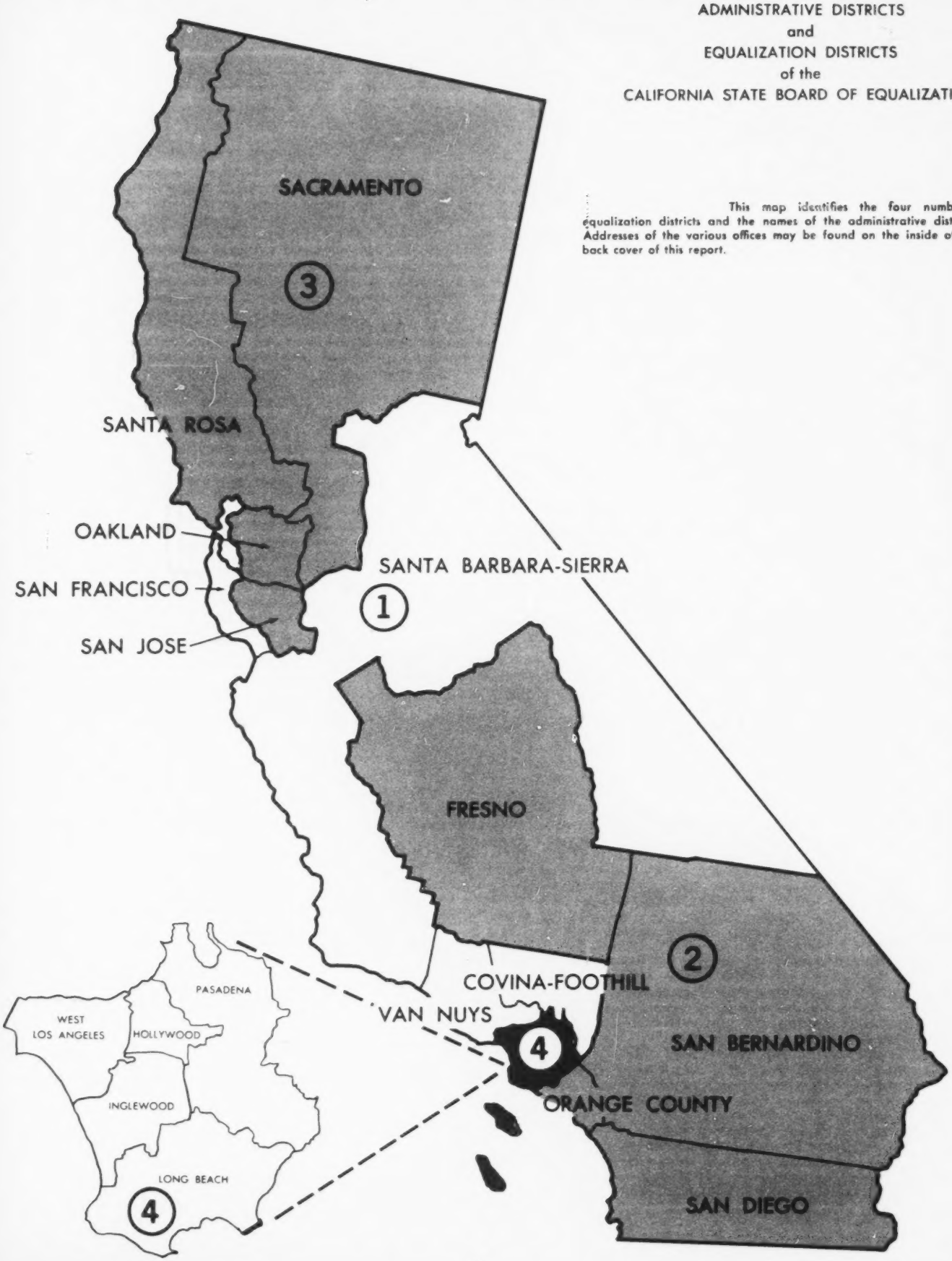
Respectfully submitted,

Richard Nevins, Chairman
Ernest J. Dronenburg, Jr., Vice Chairman
William M. Bennett
George R. Reilly
Kenneth Cory, State Controller

Douglas D. Bell, Executive Secretary
December 31, 1980

ADMINISTRATIVE DISTRICTS
and
EQUALIZATION DISTRICTS
of the
CALIFORNIA STATE BOARD OF EQUALIZATION

This map identifies the four numbered equalization districts and the names of the administrative districts. Addresses of the various offices may be found on the inside of the back cover of this report.



I. BOARD MEMBERS

First District

GEORGE R. REILLY

California's senior elected official George R. Reilly was first elected to the Board of Equalization in 1938 and has been reelected at four-year intervals. Upon completion of his 1978–82 term, he will have served 44 years, longer than any other elected state official in the history of California. During all of calendar 1978, Mr. Reilly served for the tenth time as Chairman of the Board. He is Chairman of the Board's Personnel Committee and Assessment Equalization and Standards Committee.

Mr. Reilly was born in the Mission District of San Francisco, was graduated from San Francisco schools, and attended Sacred Heart College. A licensed California real estate broker, he was in the real estate and property appraisal business for many years. Mr. Reilly began his career of public service as a member of the San Francisco Election Commission. From that office he was named to the Board of Permit Appeals and subsequently became a member of the San Francisco Board of Supervisors.

In 1967, Mr. Reilly was honored by a resolution from the State Assembly commending him on his election to the office of Supreme Governor of the World, Loyal Order of Moose, and on his activities in fund raising for scholarships for orphaned children and hospitals for the aged in Florida.

Mr. Reilly is one of the founders of the Irish-Israeli-Italian Society of San Francisco and has served from its inception as one of its three co-presidents. He is a director of the Civic League of Improvement Clubs and Associations of San Francisco, one of California's most esteemed civic-minded organizations. He is a past National President, Ancient Order of Hibernians, and past national editor of "The Hibernian Digest." In 1971, Mr. Reilly was honored by the Northern California Chapter of the Jewish National Fund for his fund raising activities in its behalf.

Among his professional affiliations, Mr. Reilly is a past vice-president, San Francisco Branch American Society of Appraisers; former member of the executive committee, Western States Association of Tax Administrators; and a member of the California Assessors' Association.

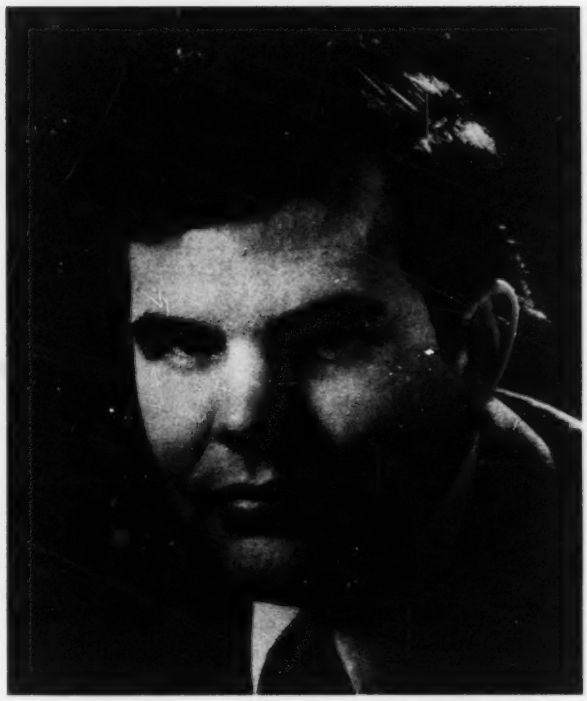
Mr. Reilly has three children—two daughters, Carolyn and Georgina, and a son, James.

Second District

ERNEST J. DRONENBURG, JR.

Ernest J. Dronenburg, Jr., is the first Republican elected to the Board of Equalization in 24 years. He represents the Second Equalization District, which extends from Fresno in the agriculturally rich San Joaquin Valley to the Mexican border, and includes the highly urbanized areas of San Diego and Orange Counties. The district includes more than six million people and covers more geographical area than the state of New York.

Mr. Dronenburg grew up in San Diego and graduated from San Diego State University in 1966 with a B.S. degree in Business Administration and a B.A. degree in Economics. Upon graduation, he worked as an industrial engineer for NCR and subsequently for the Rohr Corporation.



Though many have attempted it, Mr. Dronenburg is the first employee in the 100-year history of the agency to be elected to the constitutional office of Board Member. Prior to taking office, he worked seven years as an auditor and field audit supervisor in the Business Taxes Division of the Board.

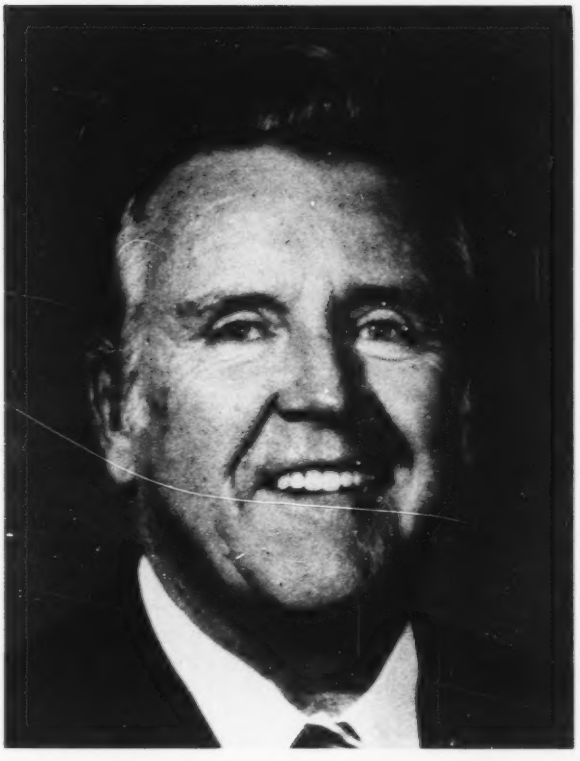
Mr. Dronenburg is also a businessman in his own right. In 1973, working in his off hours, he started Trenway Products, which distributes racquetball equipment worldwide. Shortly thereafter, he founded Tramco Industries, which manufactures racquets and racquetballs.

Among Mr. Dronenburg's professional affiliations, he is a member of the National Association of Tax Administrators, the International Association of Assessing Officers, and the National Association of Accountants. He is active in his church and is a past member of the Board of Trustees of the College Avenue Baptist Church in San Diego.

Mr. Dronenburg resides with his wife, Kathy, and two daughters in the Horizon Hills area of El Cajon.

Third District

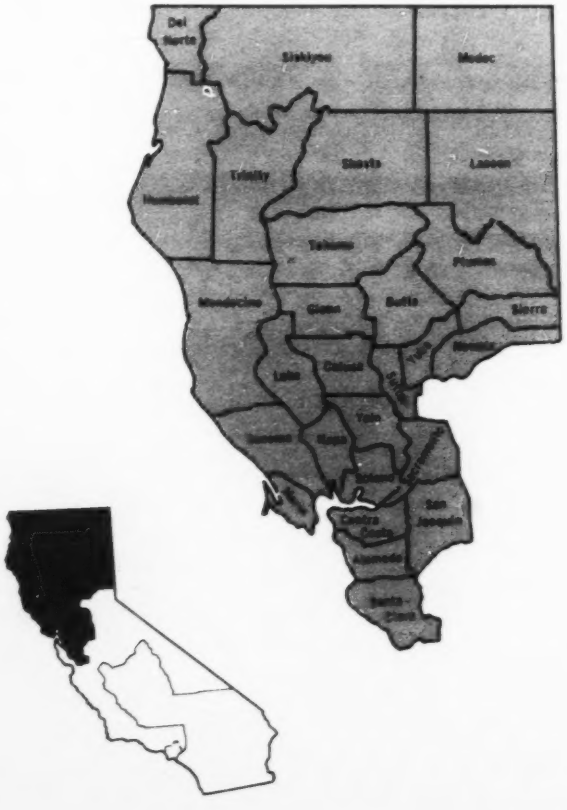
WILLIAM M. BENNETT



William M. Bennett represents the Third Equalization District, which consists of 28 counties in northern California. He was first elected to the Board in 1970. Mr. Bennett is Chairman of the Board's Valuation of State Assessees Committee, and of the Timber Advisory Committee.

He served his first term as Chairman of the Board in 1972. When Board Chairman John Lynch died in office in December 1975, Mr. Bennett was serving as Vice Chairman. He was elected Chairman to succeed Mr. Lynch, completed the latter's unexpired term, and was reelected in 1976, 1977, and 1979.

Mr. Bennett is a member of the State Bar of California and has been admitted to practice before the United States Supreme Court, appearing on behalf of the State of California eight times in significant criminal, civil, and anti-trust litigation. He has practiced extensively before both state and federal regulatory agencies and commissions. In 1969 Mr. Bennett was permitted by the U.S. Supreme Court to make a special appearance as a self-appointed "consumer spokesman" to present an argument in anti-trust litigation involving the El Paso Natural Gas Company. This was the first time in the history of the Court that an individual who was neither a party to a case nor representing a specific client was permitted to make such an extraordinary appearance.

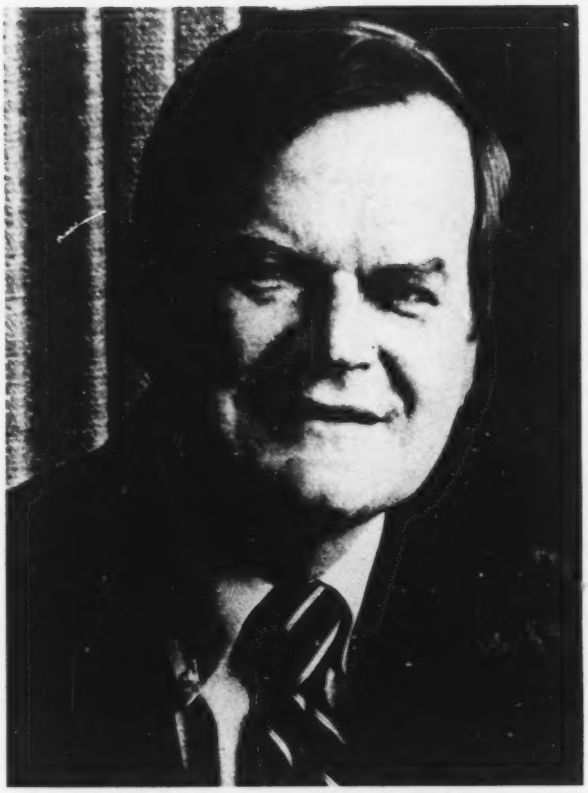


Mr. Bennett was born in San Francisco in 1918. He and Mrs. Bennett have four children: William, Jr., James, Michael, and Joan. During World War II, Mr. Bennett served as a captain in the Air Force, completing 50 missions in the 15th Air Force over Europe. Mr. Bennett has been a professor of law, teaching administrative law and consumer protection courses at Hastings College of Law, University of California, San Francisco.

Mr. Bennett began his government career as a Deputy Attorney General of California and served in that capacity for 12 years. In 1958, he was appointed chief counsel to the California Public Utilities Commission; in 1962, he was appointed a member of that commission and later served as its president.

Fourth District

RICHARD NEVINS



Richard Nevins was first elected in 1958 to represent the eight southern California counties with 11 million population that comprised the Fourth District at that time. Following the 1971 reapportionment, his district now consists of five million people in Los Angeles County, the central core of California's business economy. Although relatively small by geographical standards, gross product and personal income of the new district exceed amounts registered by all but a few nations of the world. Mr. Nevins is chairman of both the Board's Legislative Committee and Data Processing Committee.

After living in Pasadena since April 1921, and attending schools there, Mr. Nevins went on to Yale University where he graduated with an A.B. in Government in 1943. Following three years with the Army Air Force he joined an insurance brokerage firm for 12 years until his election to the Board.

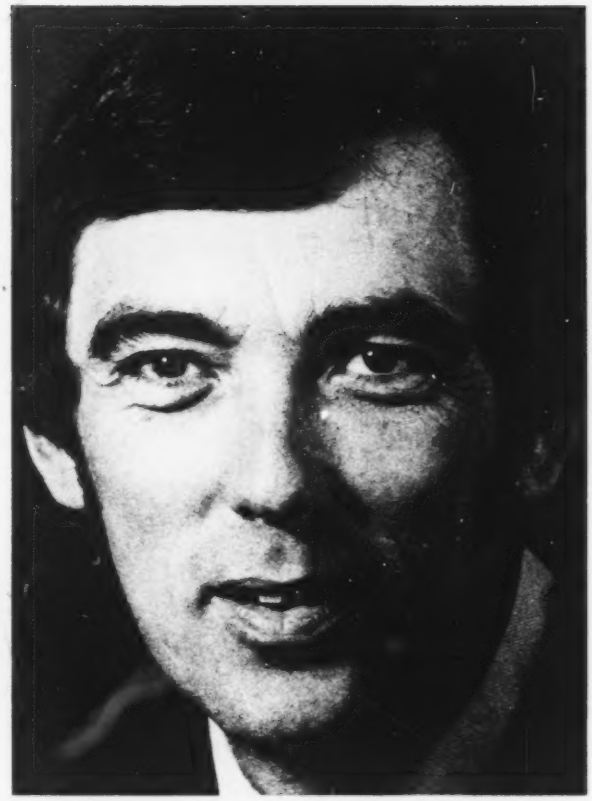
As a Member of the Board, Mr. Nevins' principal interest has been in improving the administration of the property tax. He strongly supported the Board's implementation of AB 80, the Assessment Reform Law of 1966, which contained the legislative mandate of the 25 percent ratio on all locally assessed property. To bring a degree of equity to property taxpayers, he advocated the Senior Citizens Property Tax Assistance Law enacted in 1967 and greatly augmented in 1973. Mr. Nevins has long requested the Legislature to establish a Commission to determine "who pays what taxes." He has petitioned the recently established Commission on Government Reform to analyze the impact of state and local taxes on individuals, families, and business. A comprehensive study of this nature would furnish the state's policymakers with more precise information about the effect of existing laws on California families. This study becomes increasingly important with the passage of Proposition 13 which has made great changes in the structure of state and local taxes, plus a shift in power relationships.

Mr. Nevins has been active in and affiliated with many professional and service organizations including the International Association of Assessing Officers, National Association of Tax Administrators, Western States Association of Tax Administrators, California Assessors' Association, and the American Society for Public Administration.

Mr. Nevins married Mary Lois Minton in 1946. Residing in Pasadena, they have three sons.

State Controller

KENNETH CORY



Kenneth Cory became California's 26th State Controller on January 6, 1975, after winning election in November, 1974. He was elected to a second term in 1978.

Before becoming Controller, Mr. Cory was elected to four consecutive terms in the California State Assembly, representing the 69th District in Orange County which included his home city of Westminster. Earlier he served as Chief Consultant to the Assembly Education Committee and as Chief Administrative Officer of the Assembly. He has also engaged in farming and the insurance business.

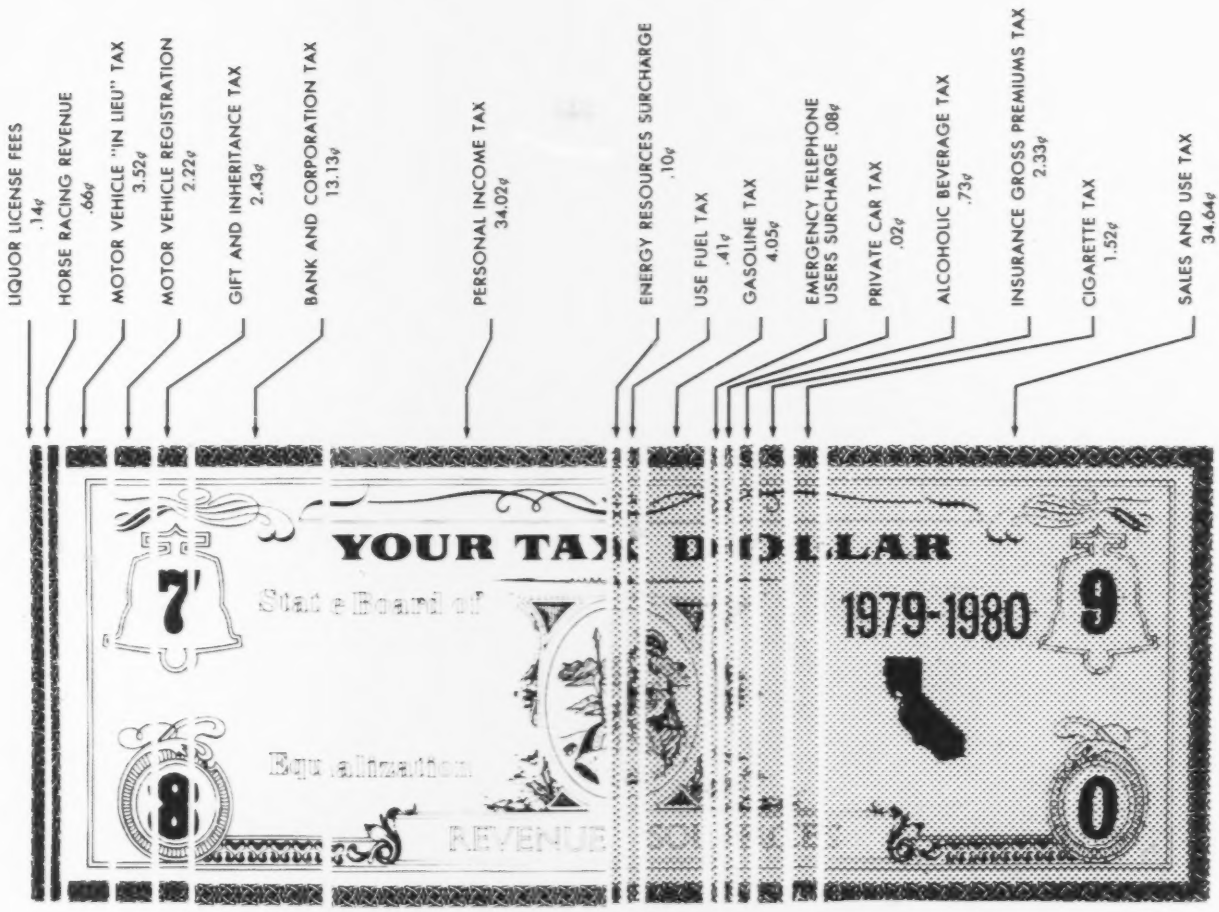
In 1970 his colleagues in the Assembly elected him chairman of the Democratic Caucus. As chairman of the Legislature's Joint Committee on Public Domain, he gained recognition for his investigation of price-fixing practices by major oil companies in California. He served as a member of standing committees on Education, Elections and Reapportionment, Revenue and Taxation, and Ways and Means.

Mr. Cory is known as one of California's leading authorities on education and school finance. He is the author of several important pieces of education legislation including bills to require instruction on dangerous drugs in public schools, to establish classes for multi-handicapped youngsters, and to enable schools to use resources of the private sector to develop innovative programs to improve reading and arithmetic instruction. He also led the fight for Superintendent of Public Instruction Wilson Riles' early childhood education legislation.

Successful Cory environmental legislation now guarantees public access to beaches and gives tax incentives to motorists driving vehicles powered by non-polluting fuels. In November, 1972, voters approved the Cory-authored constitutional amendment guaranteeing citizens the right of privacy. His consumer protection efforts were recognized by the Consumers Legal Action Council in 1972 when he was named Southern California Consumer Legislator of the Year.

Born in Kansas City, Missouri, Mr. Cory moved to southern California with his parents in 1939 when he was one year old. He is a graduate of Huntington Beach High School and attended Orange Coast College, the University of Southern California and the University of California, Berkeley and Los Angeles.

SOURCES OF STATE REVENUE


LIQUOR LICENSE FEES .14¢
HORSE RACING REVENUE .66¢
MOTOR VEHICLE "IN LIEU" TAX 3.52¢
MOTOR VEHICLE REGISTRATION 2.22¢
GIFT AND INHERITANCE TAX 2.43¢
BANK AND CORPORATION TAX 13.13¢
PERSONAL INCOME TAX 34.02¢
ENERGY RESOURCES SURCHARGE .10¢
USE FUEL TAX .41¢
GASOLINE TAX 4.05¢
EMERGENCY TELEPHONE USERS SURCHARGE .08¢
PRIVATE CAR TAX .02¢
ALCOHOLIC BEVERAGE TAX .73¢
INSURANCE GROSS PREMIUMS TAX 2.33¢
CIGARETTE TAX 1.52¢
SALES AND USE TAX 34.64¢
YOUR TAX DOLLAR
1979-1980

MAJOR STATE-ADMINISTERED TAXES IN CALIFORNIA
Fiscal Year ended June 30, 1980

Revenues collected by the Board's Business Taxes Department totaled $9,853,189,000 at a cost of $66,870,000. The Board's cost averaged 68 cents for each $100 collected by this department. The Board's assessments of public utilities and railroads yielded $346,820,000 in local property tax.

Board of Equalization	1979–80 Fiscal Year Revenue	Percentages Change from 1978–79	Percentages of Grand Total
Sales and Use Tax	$6,623,521,314	14.6	34.64
Insurance Companies Tax	446,228,192	6.2	2.33
Cigarette Tax (state portion)	204,674,779	7.8	1.07
Alcoholic Beverage Tax	138,940,266	–.8	.73
Electrical Energy Tax	19,021,773	5.3	.10
Emergency Telephone Users Surcharge	15,141,963	7.6	.08
Private Car Tax	4,504,073	35.5	.02
Total General Fund	7,452,032,360	13.5	38.97
Gasoline and Jet Fuel Tax	773,694,624	–5.9	4.05
Use Fuel Tax (mostly diesel fuel)	79,056,542	6.2	.41
Cigarette tax (local portion)	85,368,581	8.0	.45
Total Special Funds	938,119,747	–3.8	4.91
Grand Total—Board of Equalization	$8,390,152,107	11.2	43.88

Other Agencies	1979–80 Fiscal Year Revenue	Percentages Change from 1978–79	Percentages of Grand Total
Personal Income Tax	$6,506,014,963	36.6	34.02
Bank and Corporation Tax	2,510,039,059	5.4	13.13
Motor Vehicle "in lieu Tax"	627,122,200	10.0	3.28
Trailer Coach Fees "in lieu Tax"	45,056,456	7.6	.24
Motor Vehicle Registration Fees	424,461,542	3.6	2.22
Inheritance Tax	445,937,976	10.9	2.33
Gift Tax	19,672,723	33.7	.10
Horseracing Revenue	127,002,435	12.5	.66
Liquor License Fees	27,322,457	4.9	.14
Total—Other Agencies	10,732,629,811	23.1	56.12
Grand Total—All Agencies	19,122,781,918	17.6	100.00

Source: State Controller's September report "Financial Statement for the General Fund and All Other Governmental Cost-Funds",. Fiscal Year ended June 30, 1980.

II. THE BOARD

The State Board of Equalization, California's major revenue agency, began its second century of service during the 1979–80 fiscal year. A history of the Board was completed for its centennial year. Entitled, "The First One Hundred Years", this publication will be available for purchase early in 1981. It is a comprehensive history of taxation in California, describing the role of the Board in developing, implementing, and administering virtually every tax program in the history of the state.

Unique in American government, it is the nation's only board of tax officials who are constitutional officers elected to represent specific districts of a state to administer tax revenue programs. This system has given California continuity in its tax administration and has thrust the state into a position of national leadership in the field of taxation.

The photograph on this page was taken during a Board meeting at its Sacramento headquarters. The Board Members are (from left) State Controller Kenneth Cory, Ernest J. Dronenburg, Jr., Richard Nevins, George R. Reilly, and William M. Bennett. At its first meeting in January 1980, the Board elected Richard Nevins Chairman to succeed William M. Bennett who served as Chairman during 1979. Ernest J. Dronenburg, Jr. was elected Vice Chairman. The Chairman of the Board of Equalization also serves as a Member of the Franchise Tax Board with the State Controller and the Director of Finance.

The Chairman conducts Board meetings, convenes special meetings, and appoints Board committees in legislation, valuation of state-assessed public utilities, local property tax, data processing, personnel management, and equal employment opportunity to develop and recommend policies for Board approval. Each committee is chaired by a Board Member and is composed of key staff members.

The Board appoints an Executive Secretary to coordinate its appellate functions and rule-making responsibilities, to direct Board programs and the activities of its staff, to implement the policies the Board adopts, the directives it issues, and the actions it takes.

The original Board of Equalization was created by legislative act in 1870 to regulate property assessments among the counties and bring them into equity. That Board consisted of the State Controller and two members appointed by the Governor. In 1879 the State Constitution was amended to establish the Board in its present form. It provided that each of the four existing Congressional Districts elect its own Member of the Board who would represent those Districts. The State Controller was designated an ex officio Member to serve at-large.

Although the number of Congressional Districts began to increase within five years, the number of Equalization Districts and the four-year elective terms for the Board Members have remained unchanged. The Legislature was empowered to redistrict the state after each decennial census into four Equalization Districts as nearly equal in population as practicable. The original District boundaries remained relatively unchanged until 1971, although the 52 counties in existence at the Board's inception increased through the years to 58. In 1971, a major reapportionment equalized the population to approximately five million in each District. During the past ten years, population increases have raised that figure to almost five-and-one-half million.

Originally established to oversee the Property Tax, the Board has been assigned the administration of almost every tax program adopted by the state. A Constitutional Amendment in 1911 designated the Board to administer Corporation Franchise Taxes, the Bank Share Tax, a gross receipts tax on public utilities, and insurance taxes. In 1923, the Motor Vehicle Fuel Tax (gasoline) was enacted. Not until 1929 was a tax assigned elsewhere, with the creation of the Franchise Tax Commission to direct the Bank and Corporation Franchise Tax Law and in 1935 the state's Personal Income Tax Law. In both cases, the Board of Equalization was designated the administrative appellate agency.

Major changes in the state's revenue structure occurred in 1933 with the adoption by the Legislature of the Riley-Stewart Plan, devised by Board of Equalization Members Ray Riley and Fred Stewart. The gross receipts tax on utilities was repealed and public utility properties were restored to the county tax rolls. In 1935, after a quarter-century the Board resumed its original role as the assessor of public utility operating properties.

In 1933 the Legislature selected the Board to administer business taxes beginning with the Sales Tax. Within a few weeks, the Board was compelled to increase its staff from 25 to some 1,500. Within the next two years, additional taxes were enacted to rescue California from a fiscal crisis created by the Great Depression—the Use Tax, Motor Vehicle Transportation License Tax, and the Alcoholic Beverage Tax. Local Sales and Use Taxes, administered by the Board, began in 1955 and the Cigarette Tax was enacted in 1959.

The tax programs administered by the Board in 1979–80 generated $8.3 billion in general fund and special fund revenues for the state, an increase of 11.3 percent over the preceding year's total of $7.5 billion. The Board also collected $1.8 billion in sales and use taxes for cities, counties, and transit districts. Board assessments of privately owned public utilities produced $342 million in local property taxes and the Board collected $4.5 million in private railroad car taxes for the state.

The Board functions in three major roles: administrative, quasi-legislative, and quasi-judicial.

As an administrative body, the Board develops and adopts capitalization rates, classifies unitary and nonunitary property of public utilities and determines the property values of the individual assessees for local property taxation, sets the Electrical Energy Surcharge rate, fixes the 911 Emergency Telephone Users Surcharge rate at the rate determined by the Department of General Services, and administers the Timber Yield Tax Law.

In its quasi-legislative role, the Board adopts rules and issues directives for the guidance of industry and local government. In its administration of local property taxes, the Board prescribes property tax forms and publishes handbooks for the assessors' use in establishing uniformity among the counties. In administering business taxes, the Board adopts regulations and publishes a law guide and tax tips booklets.

In its quasi-judicial role, the Board acts as the appellate body in final actions of the Franchise Tax Board under the state's Bank and Corporation Tax, Personal Income Tax, and the Senior Citizens Property Tax Assistance laws. The Board considers petitions for redetermination of business tax matters and appeals of insurance companies under the Insurance Tax Law. In property taxes, the Board considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries, and appeals of reviews made by the Board's Division of Local Property Tax Monitoring in its survey of locally assessed property.

The Board conducts public meetings throughout the year, meeting in Sacramento every month and as often as necessary in other California cities. In 1979–80, the Board met in Sacramento, Pasadena, San Francisco, and San Diego.

The Board employs a staff of more than 2,600 auditors, appraisers, compliance technicians, analysts, clerical personnel, and other specialized classifications in its Sacramento headquarters, in 70 field offices throughout California, and in offices operated in New York, Chicago, and Houston to serve taxpayers who do business in California although their headquarters are located in other sections of the country.

The evolution of the Board of Equalization is recorded on the next page in a chronological history, listing the duties and functions as they have been added through the years and assigned to the Board.

HISTORY OF THE STATE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.[1]

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of intercounty railroads. Board consisted of four members elected from Equalization districts and the State Controller.[2]

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted—assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted—provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted—diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted—state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted—mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted—Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted—provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted—to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 13 adopted by the electorate June 6, 1978 added Article XIIIA to the California Constitution. It changed the system of real property taxation by restricting the maximum ad valorem tax to 1 percent of full cash value, permitting a maximum 2 percent annual increase in the fair market value base to reflect inflation.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1979 Litter Control, Recycling, and Resource Recovery Assessment Act amended to eliminate the assessment, allocating funding for the program to the state's general fund.

---

[1] Although California Governor H. H. Haight "strongly advocated in his message of 1869 the establishment of a state board of equalization," it was not until April 4, 1870 that "the legislature passed a bill . . . creating a state board of equalization composed of the state controller and two members to be appointed by the governor for a term of four years."

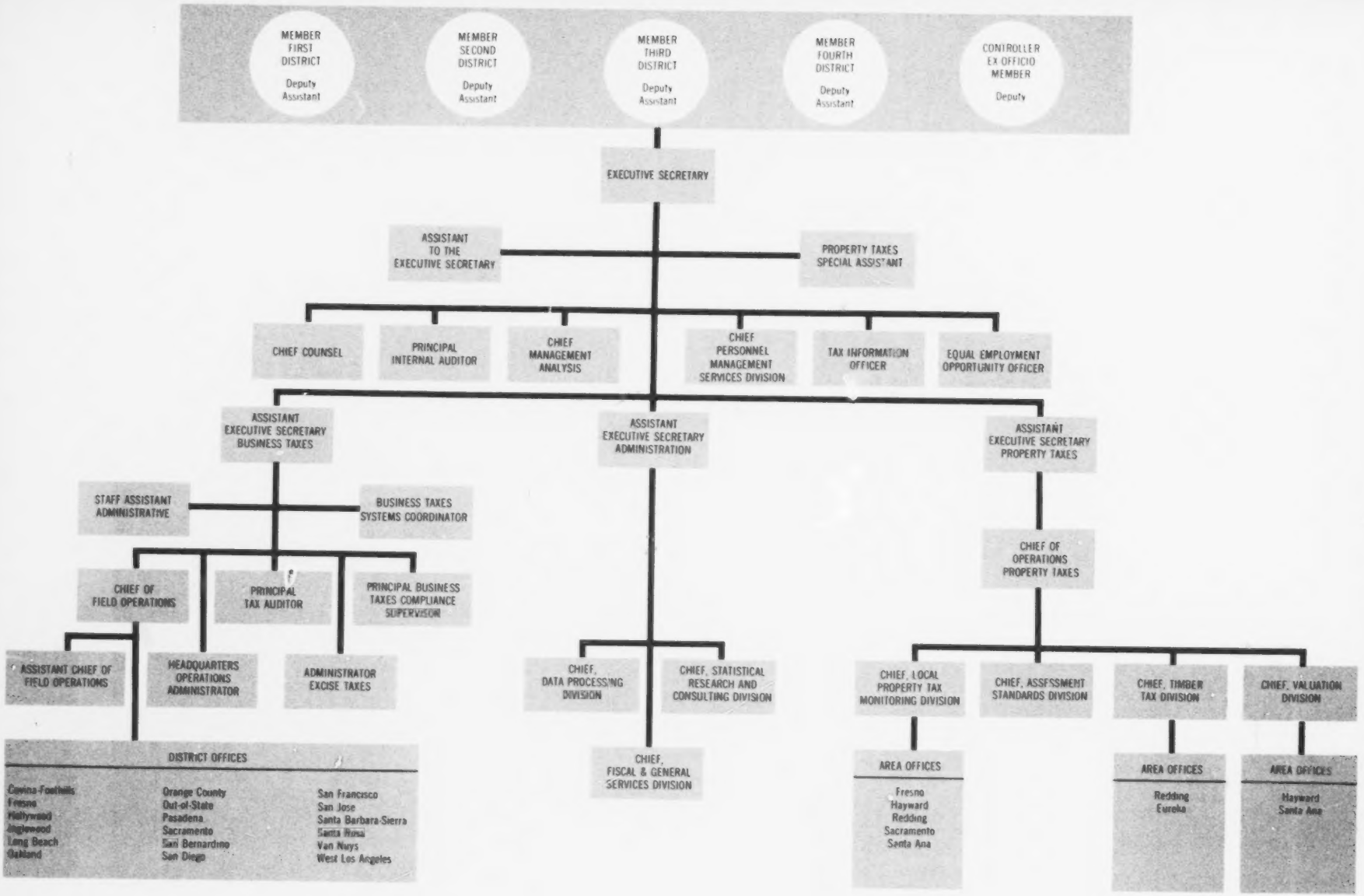
—A Financial History of California,
by William C. Fankhauser—1913

"The Board held its first meeting on the second Monday of July, 1870, and organized by electing Robert Watt (Controller) President and E. W. Maslin, Secretary of the Board." The Legislature's Act of April 4, 1870 did not go into effect until July, 1870.

—First Biennial Report of the
State Board of Equalization
November 1, 1871

[2] The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster—1909


MEMBER FIRST DISTRICT
Deputy
Assistant
MEMBER SECOND DISTRICT
Deputy
Assistant
MEMBER THIRD DISTRICT
Deputy
Assistant
MEMBER FOURTH DISTRICT
Deputy
Assistant
CONTROLLER EX-OFFICIO MEMBER
Deputy
EXECUTIVE SECRETARY
ASSISTANT TO THE EXECUTIVE SECRETARY
PROPERTY TAXES SPECIAL ASSISTANT
CHIEF COUNSEL
PRINCIPAL INTERNAL AUDITOR
CHIEF MANAGEMENT ANALYSIS
CHIEF PERSONNEL MANAGEMENT SERVICES DIVISION
TAX INFORMATION OFFICER
EQUAL EMPLOYMENT OPPORTUNITY OFFICER
ASSISTANT EXECUTIVE SECRETARY BUSINESS TAXES
ASSISTANT EXECUTIVE SECRETARY ADMINISTRATION
ASSISTANT EXECUTIVE SECRETARY PROPERTY TAXES
STAFF ASSISTANT ADMINISTRATIVE
BUSINESS TAXES SYSTEMS COORDINATOR
CHIEF OF FIELD OPERATIONS
PRINCIPAL TAX AUDITOR
PRINCIPAL BUSINESS TAXES COMPLIANCE SUPERVISOR
CHIEF OF OPERATIONS PROPERTY TAXES
ASSISTANT CHIEF OF FIELD OPERATIONS
HEADQUARTERS OPERATIONS ADMINISTRATOR
ADMINISTRATOR EXCISE TAXES
CHIEF, DATA PROCESSING DIVISION
CHIEF, STATISTICAL RESEARCH AND CONSULTING DIVISION
CHIEF, LOCAL PROPERTY TAX MONITORING DIVISION
CHIEF, ASSESSMENT STANDARDS DIVISION
CHIEF, TIMBER TAX DIVISION
CHIEF, VALUATION DIVISION
DISTRICT OFFICES
Covina-Foothills
Fresno
Hollywood
Inglewood
Long Beach
Oakland
Orange County
Out-of-State
Pasadena
Sacramento
San Bernardino
San Diego
San Francisco
San Jose
Santa Barbara-Sierra
Santa Rosa
Van Nuys
West Los Angeles
CHIEF, FISCAL & GENERAL SERVICES DIVISION
AREA OFFICES
Fresno
Hayward
Redding
Sacramento
Santa Ana
AREA OFFICES
Redding
Eureka
AREA OFFICES
Hayward
Santa Ana

III. ADMINISTRATION

DOUGLAS D. BELL
Executive Secretary

BENJAMIN P. DYE
Assistant
Executive Secretary
Administration

J. D. DOTSON
Assistant
Executive Secretary
Business Taxes

GORDON P. ADELMAN
Assistant
Executive Secretary
Property Taxes

JAMES J. DELANEY
Chief Counsel

Under the policy guidance of the Members of the Board of Equalization, Executive Secretary Douglas D. Bell directs the activities of the staff with the assistance of Chief Counsel James J. Delaney and Assistant Executive Secretaries J. D. Dotson, Business Taxes; Gordon P. Adelman, Property Taxes; and Benjamin P. Dye, Administration.

Organization of Board operations is divided into three basic components: business taxes, property taxes, and administration. Business and property taxes programs receive support services from administration staff in the areas of legal counseling, banking and cashiering, mail processing, planning, research and statistical analysis, fiscal management, data processing, management analysis, internal audit, tax information, personnel and training, employee relations, equal employment opportunity, material and supply, and facilities management.

Douglas D. Bell has been Executive Secretary of the Board since May 1, 1977. Mr. Bell joined the Board in 1947 and is the first Board employee ever promoted to the chief administrative position.

J. D. Dotson, Assistant Executive Secretary for Business Taxes, has served in that position since January 1, 1977. He has been a Board employee since 1950.

Gordon P. Adelman was appointed Assistant Executive Secretary for Property Taxes on May 1, 1979. A Board employee since 1966, Mr. Adelman had previously served as Assistant Executive Secretary for Administration.

Benjamin P. Dye was named Assistant Executive Secretary for Administration effective March 1980, succeeding Leroy E. Benson, who retired from state service December 31, 1979. Mr. Dye has been a Board employee since 1948 and had most recently served as Internal Auditor.

James J. Delaney is the Board's Chief Counsel. Mr. Delaney came to the Board in 1956 and became Chief Counsel January 1, 1977.

Legislative Analysis

The Board participates in the state's legislative process with proposals for legislation and its analysis of pending legislation and the assistance it provides the Legislature, Governor's office, and Department of Finance in formulating tax legislation and policy.

Under the chairmanship of Board Member Richard Nevins, the Board's Legislative Committee reviews all proposed tax legislation and advises the Board of its conclusions. The Committee also develops the Board's own legislative program.

Of the more than 6,000 items of legislation introduced in the 1979–80 legislative session, the Board followed 653 measures relating to the tax programs for which it is responsible. Under the coordination of the Board's Legal Section, these bills and constitutional amendments were analyzed for their budget, revenue, and program implications.

Legislative bill analysis is a joint effort by the Management Analysis Section, which estimates the cost of administering the proposed legislation; the Statistical Research and Consulting Division, which forecasts effect on revenues; the Legal Section, which examines statutory implications; and the Business and Property Taxes Departments, which assess the potential impact on tax programs. The resulting analyses form the basis for formal recommendations by the Board to the Governor and the Legislature regarding action on pending tax legislation or proposed tax policies.

The Legal Section assists in the legislative process by drafting bills and bill amendments to implement the Board's legislative program and to comply with requests from legislators. The Legal Section also provides information and testimony before the Assembly and Senate Revenue and Taxation Committees and the fiscal committees of each house of the Legislature.

Each year the Board proposes a program of legislation to amend existing laws where the Board's experience has shown that administrative or statutory problems exist. In 1979–80 the Board proposed 15 bills amending various sections of the business and property tax laws.

The Board's legal staff examines the statutory implications of proposed legislation. Staff Counsel John Murray analyzes a legislative bill affecting the sales tax.

A lawsuit initiated by the railroads is reviewed by Unit Valuation Supervisor Bob Forsberg (center) and attorneys Bob Keeling (left) and Jim Williams before submission to the Attorney General.

Legal Services

The 29 attorneys in the Board's Legal Section act as house counsel, providing the legal services necessary to administer the Board's business and property taxes programs.

In recent years, with the incumbent Attorney General declining to represent the Board in court in some property tax litigation, the Legal Section has performed that function.

Legal activity in the property taxes area has continued at a high level since the passage of Proposition 13 (June 1978) and Proposition 8 (November 1978). Legislation implementing these constitutional amendments has necessitated numerous revisions of the Board's property tax rules and involved the agency in a record number of lawsuits over its administrative rulings (see Litigation, page 58). Board attorneys have responded to an enormous volume of mail and to frequent requests for oral and written interpretations of the state's new property tax laws; they have held seminars for attorneys, appraisal firms, and other groups interested in the subject. The attorneys continue to advise the Board's appraisal staff on the application of property tax law to the valuation of public utilities and they present the staff's position at state assessee hearings before the Board.

Hearing officers conduct preliminary hearings on business taxes appeals, preparing summaries and recommendations for disposition by the Board. These informal hearings are held throughout the state for the convenience of taxpayers. In 1979–80, 742 decisions were rendered by hearing officers, 17.3 percent of which proceeded to the next level of review, a nonadversary hearing before the Board, where the legal staff presents the available facts and an analysis of the law. Board attorneys also provide the public with interpretations of various business tax laws and aid the compliance staff in the collection of delinquent taxes.

The legal staff provides assistance to the Board in deciding appeals from Franchise Tax Board actions on Bank and Corporation Tax Law and Personal Income Tax Law cases. In 1979–80, 444 cases were completed, 146 of which were settled by oral hearing or issuance of a formal Board opinion. The Board's published opinions on these tax appeals provide guiding principles and statutory interpretations for use by taxpayers and the staff of the Franchise Tax Board. Board attorneys also prepare analyses of appeals from Franchise Tax Board decisions under the Senior Citizens Property Tax Assistance and Postponement Law. Such appeals have shown a decline of approximately 30 percent since 1978, undoubtedly due in part to the property tax rate reductions achieved by the passage of Proposition 13.

Assistant Chief Counsel Bob Brenner and Staff Counsel Janet Otterman prepare analyses of appeals from Franchise Tax Board actions on Bank and Corporation Tax Law and Personal Income Tax Law cases.

Board rules governing the application of business and property taxes are currently under review to determine their necessity and timeliness and to assure their clarity, as required of all state agencies by the Office of Administrative Law, created in 1979. The legal section modernized its word processing equipment in 1980 to handle its voluminous review project, the increasing workload of tax appeals, and the revision of business and property tax rules required by the passage of new legislation.

Data Processing

During 1979–80, the Board completed a feasibility study to upgrade its computer and contracted for the installation of a Sperry Univac 90/80 system during the summer of 1980. The new system is expected to provide a faster, more powerful computing capability and reliability, to expand the capacity needed for additional workloads. In addition, the new equipment will feature online program development which is expected to increase programmer productivity, reducing the time and cost involved in the implementation of new data processing services.

In the Data Processing Division, programmers receive instruction in the use of the new Sperry Univac computer system installed in the summer of 1980. Left to right, Tom Perez, Gloria Hinds, Robert Walton-Diaz, Elaine Martin, and Al Huff.

The new computer will support an expanding statewide communications network—The Business Taxes Consolidated Information System (BTCIS)—which provides the Board's field offices and headquarters units instant access to current sales tax account information. Plans were made during the year for the installation of 12 additional video terminals, bringing the total number of terminals in the system to 96. During the fiscal year, the number of inquiries handled by the system increased by 22 percent.

The uses of the BTCIS have been expanded by the addition of remote entry capabilities for several data files. Video terminals at headquarters are now used to make changes to the tax return payment records and enter petition and refund information. In the near future, the Board intends to establish remote entry capabilities for video terminals in its business taxes field offices to enable the staff to enter account closeout information directly to the registration file at a savings in document processing costs.

In June 1980, the Data Processing Division successfully linked its Sperry Univac System/6 computer to a Wang 30 Word Processor located in the Typing Unit and a video terminal in the Occasional Sales Unit. This connection enables the Occasional Sales staff to create directly registration records on boats, mobilehomes, autos, and airplanes, and simultaneously instruct the word processing equipment to prepare standard form letters and notices to the affected taxpayers.

Programmers Bud Shafer (left), Maureen Gardner (center), and DaWayne Rasmussen use video terminals to program the computer directly. "Online program development" featured by the new equipment is expected to reduce the time and cost of implementing new data processing services.

Same Day Bank Deposit Program

Over 2.6 million tax payments were received at Board headquarters and banked during 1979–80. The Board's cashiering and related units process these payments for deposit within 24 hours of receipt in order to earn maximum interest for the state.

Seven Magnetic Ink Character Recognition (MICR) units speed the process by enabling an operator to encode the amount of each check and sort it for deposit in the appropriate bank, while providing master tapes for accounting and control purposes. Use of the MICR equipment also reduces the amount charged by banks for processing checks.

The Board contracted in 1980 with the United California Bank to accept for immediate credit out-of-state checks of $1 million or more each. This arrangement eliminates the 10-day clearance time during which no interest is earned.

The Board set a new record for a single day's deposit when it banked $365.5 million on February 4, 1980, exceeding by $158 million the previous record of $207.5 million set February 5, 1979. During the 1979–80 fiscal year, the Board's Cashier deposited a total of $9,843,749,986.56 in state and local tax payments.

Office of Appraisal Appeals

On June 30, 1980, the Board's Office of Appraisal Appeals (OAA) was phased out as a result of the changes to the state's property tax laws brought about by the passage of Proposition 13.

The Office of Appraisal Appeals was created in 1967 to provide county assessors with an avenue of prompt appeal of property appraisals produced by the Board's Division of Intercounty Equalization. To assure its independence and objectivity, the OAA was separated organizationally by statute from any division of the Board and reported directly to the Executive Secretary.

Following the passage of Proposition 13, the Legislature suspended the school equalization aid laws and provided direct bailout money to supplement the reduced property tax revenues of local government. This action temporarily suspended the need for the appraisal samples and equalization factors developed by the Division of Intercounty Equalization and rendered unnecessary for the time being the appellate function of OAA.

During its final year in which it was phased out, the OAA completed the appraisal appeal work carried over from the 1978–79 fiscal year and its staff was absorbed by the Board's Property Taxes Department. During its 13-year history (1967–80), the Office of Appraisal Appeals received 4,242 appeals, an average of 354 per year. Ninety percent of these appeals were resolved by OAA without recourse to a hearing before the Board.

In June 1980 the Board approved a new Local Property Tax Monitoring Program (see page 30) to measure county assessors' compliance with property tax laws. The program will include a new procedure to handle appeals, many of which are expected to be interpretive or legal in nature. The process will initially require the services of one staff member.

Tax Information

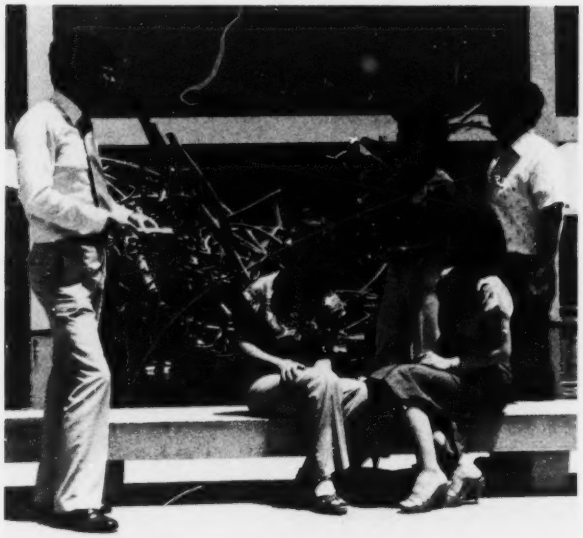
The Board places a high priority on keeping the public informed about the tax programs it administers and making current pertinent information readily available to taxpayers.

Information of general interest is transmitted to the news media through news releases delivered statewide to daily and weekly newspapers, wire services, radio and television stations, as well as technical, trade, and professional associations. News releases prepared by the Tax Information Office announce Board hearings, actions taken, and changes in policy. Releases are used to report information gathered from Board-administered tax programs—for example, levels of taxable sales activity, monthly gasoline consumption figures, or amounts of sales tax revenue returned to local government. Others remind taxpayers of filing deadlines for property tax exemptions or announce tax postponements caused by special circumstances (earthquakes, floods, etc.). The Tax Information Office also provides immediate responses to a wide variety of telephone and mail inquiries from the press and public, the Legislature, and other governmental agencies.

To serve the business community, the Board has developed a series of "Tax Tip" pamphlets which summarize in nontechnical language sales and use tax rules and regulations relating to specific industries. Another series of booklets sets forth the regulations of the tax programs administered by the Board. The pamphlet "Appeals Procedures" informs taxpayers how to obtain administrative review of assessments made by county assessors and taxes administered by the Board of Equalization or Franchise Tax Board.

The quarterly "Tax Information Bulletin" is mailed to all taxpayers registered with the Board and to interested parties on request. The bulletin announces recent changes and proposed changes in business tax regulations and describes how they may affect tax reporting requirements.

Complete annotated copies of Business Tax Laws, Property Tax Laws, and Excise Tax Laws are published by the Board and are available at cost to the public.



Members of the staff travel to college campuses to recruit new employees. Tax Compliance Supervisor Jerry Davenport (left) discusses the Student Assistant program with students at California State University, Long Beach.

Statistical Research and Consulting Services

The Board's Statistical Research and Consulting Division provides services for the Legislature, federal agencies, other state agencies, city and county officials, and private firms, using the economic data collected in the course of administering business and property tax programs.

The division prepares revenue estimates concerning the impact of proposed tax legislation and evaluates revenue aspects of existing tax programs. These studies assist the Board in formulating recommendations on legislative proposals and in planning the effective administration of tax programs. For areas where annexation or incorporation is under consideration, the division prepares revenue estimates for county local agency formation commissions or for city officials. Market studies for local governments and private firms (performed on a fee-for-service basis) examine the retail sales market in a specific shopping center or geographical area.

In the course of administering state excise taxes on gasoline and diesel fuel, the Board collects accurate statewide statistics on fuel consumption in California and furnishes such data to state and federal government planners, the media, the petroleum industry, and other private enterprises.

As a public service, the Board publishes quarterly and yearly statistical reports on taxable sales in the state, with listings by type of business within cities and counties. The report, "Taxable Sales in California," is widely used to measure sales trends in the state's economy.

Personnel Management

In May 1980, the State Personnel Board approved the final phase in a complete review of the business taxes classifications used at the Board of Equalization, marking the first time in recent years that up-to-date allocation standards and class specifications exist for all business taxes positions.

Highlighting this review, conducted in conjunction with the Board's personnel management staff, was the creation of two new business taxes classifications—Tax Auditor IV and Business Taxes Compliance Specialist—to be used for the most highly skilled employees in the audit and compliance series. A study of Business Taxes Administrator classifications resulted in a revision of the series to reflect five levels of administrative responsibility existing in Board field offices.

Through the year, the Board continued to exercise the delegated testing authority transferred from the State Personnel Board for a total of 21 job classifications. The Board of Equalization Personnel Management Services Division has been delegated by the State Personnel Board to administer examinations for these classes and establish eligible lists for promotional and entry-level candidates in a fraction of the time previously required. The new procedure, hitherto an exclusive function of the State Personnel Board, has proven a valuable tool in the Board's recruiting efforts.

A key job classification for which the Board received delegated testing authority in 1979 is the entry-level position of Auditor I. In June 1979, with the appointment of a Recruitment Coordinator in the Personnel Management Services Division, the Board launched a vigorous recruitment program combining on-campus interviews at colleges and universities through the state with the on-site administration of the Auditor I examination. In the six months between January 1 and July 1, 1980, 115 Auditors I were hired by the Board, reducing to normal levels what had been an unusually large vacancy rate caused by previously cumbersome recruiting procedures and comparatively low civil service salaries.

The Auditor I recruitment program resulted in important gains in the Board's continued efforts to increase the number of ethnic and racial minorities and women on its professional staff. Of the 115 Auditors I hired in the six-month period, 10 percent are black, 11 percent are Hispanic, and 31 percent are women.

Collective Bargaining

The State Employee-Employer Relations Act (SEERA), enacted in 1977 to establish a collective bargaining process for most state employees, was de-

clared unconstitutional by the State Court of Appeals in March 1980. However, the subsequent decision of the State Supreme Court to hear the case on appeal reopened the possibility that the law will be upheld and implemented. That decision is expected early in 1981.

Since the enactment of SEERA (Senate Bill 839), the Board has made the required designations of its employees as management, supervisory, confidential, or rank-and-file for collective bargaining purposes. Under SEERA, supervisors will be able to participate in limited meet-and-confer sessions and organize to represent themselves. However, they will not be allowed to seek representation in those employee unions which represent the rank and file. Salaries of management and confidential employees will be determined jointly by the Governor and Legislature through the state budget process. Meanwhile, the State Personnel Board continues to set salaries.

In November 1979, the Public Employees Relations Board defined 20 employee bargaining units on the basis of shared occupational interests. The next step, should the law be upheld, will be the election of collective bargaining representatives by these employee occupational units.

During the year, the Board's supervisory and management staff began receiving labor relations training through the Board's Training Office and the Governor's Office of Employee Relations. Training efforts will be intensified in the coming fiscal year.

The Governor's Office of Employee Relations estimates that in the event SEERA is upheld by the high court, the first collective bargaining sessions may be held in 1981.

Training

The Board's training program is primarily designed to enhance the on-the-job skills of its employees. Specialized courses in auditing, tax compliance, property appraisal, and data processing are continuously provided to improve the technical skills of the professional staff. Also available are courses focusing on managerial, supervisory, and clerical skills. Recent additions to the Board's training catalog, for example, include "Statistical Sampling for Auditors" and "Basic Supervision." The Board's auditing courses are accepted for continuing education credit by the Society of Certified Public Accountants.

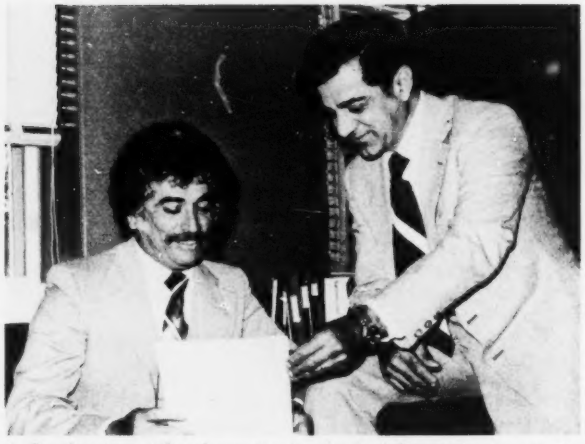
The majority of these courses are designed and instructed by Board staff under the leadership of the Training Office. When necessary, training is provided through the State Personnel Board, U.S. Civil Service, and colleges and universities throughout the state.

The training needs of Board employees and the resources available to meet those needs are formulated in an annual training plan submitted to the Executive Secretary for approval at the start of each fiscal year. The plan is prepared by the Board Training Committee composed of a representative group of employees and is implemented by a network of employee-training coordinators under the guidance of the Board Training Officer.

Equal Opportunity Employment

Through its Equal Opportunity Employment Program, the Board is working to achieve a work force which reflects the composition of the state's labor force as a whole.

Specialized training courses are developed and presented by Board employees to improve the technical skills of the professional staff. Supervising Tax Auditor Jan Ishii instructs a class in advanced business tax law attended by Tax Representatives Daniel Minami and Cheryl Hronec and Auditors Ron Taylor and Richard Rinetti.



Auditor Recruitment Coordinator Lou Arredondo (left) and Sacramento District Administrator Jack Najarian plan on-campus interviews in northern California. The Auditor Recruitment Program launched in June 1979 succeeded in reducing Auditor I vacancies to normal levels.

The Board uses the personnel management techniques available within the civil service system to recruit and advance underrepresented minority groups, the disabled, and women. Focused recruiting efforts, training and development assignments, the use of pre-professional classes, and upward mobility training programs provide the affirmative action tools necessary to meet the Board's stated goals.

During the fiscal year, the number of black employees on the Board's staff—in both clerical and professional classes—achieved parity with the state's work force. The number of black employees at year's end was 137 or 5.4 percent of the staff. Gains were made in the number of Hispanic employees—up from 175 to 188—but this group continues to be underrepresented. A sustained effort is resulting in gradual improvement in this area. The percentage of Hispanic employees surpassed 5 percent for the first time in 1977; in June 1980 the figure had climbed to 7.4 percent. The number of women employed at the Board exceeds the state labor force ratio of women to men, but women remain underrepresented in the higher-paid classifications.

The Board has attempted to provide employment opportunities for the disabled, working in conjunction with the Department of Rehabilitation which has assisted in recruiting efforts. The Board Subcommittee on the Handicapped is working to ensure that all Board offices are physically accessible to disabled employees and the public. Plans for construction of an entrance for the handicapped to the headquarters building were drawn up in 1980 with a completion date set for 1981. Although parity for handicapped employees has not yet been achieved, a State Personnel Board report in September 1979 cited the Board of Equalization as one of four state departments showing significant improvement in employment of the disabled.

The Board continued to participate in community sponsored and funded programs to provide state work experience for young minority and disabled persons. The Board employed young persons through the Career Opportunity Development (COD) program, the Comprehensive Youth Program (CYP), the Youth Employment Services (YES) program, and the Federal Temporary Clerical Support program.

The Board encourages members of underrepresented groups in its lower-paid classes to seek promotional opportunities. In 1979–80, 42 employees participated in the Board's Upward Mobility Program which assists clerical and technical employees to meet the basic educational requirements for entry to professional examinations. Training and development assignments provided the means to move qualified and interested clerical and technical employees into on-the-job training for professional positions. The use of pre-professional classifications such as Management Services Technician also enabled employees to gain qualifying experience for entrance to promotional examinations.

During the coming fiscal year, the Equal Opportunity Employment Program will focus its efforts on recruiting additional Hispanic and disabled employees at all levels and improving the representation of women on its professional staff.

Senior Account Clerk Kevin Fong is a participant in the Upward Mobility Program which assists clerical and technical employees to meet the basic educational requirements for entry to professional examinations.

IV. PROPERTY TAXES

From its inception in 1869, the Board of Equalization was thwarted in its efforts to oversee the administration of the property tax. For ten years it struggled to enforce its equalization orders that were intended to establish parity in tax levels among the counties. Widespread resistance by the counties, legislative vacillation, and judicial setback weakened the Board and reduced it to the level of a statistical bureau and advisory body.

Delegates elected to a Constitutional Convention in 1878 adopted a Constitution in the spring of 1879 which brought major reform to the state's revenue and taxation programs. Article XIII, Section 9 of the Constitution of 1879 established the Board in its present form. Its century of existence may be divided near the halfway point, with the enactment in 1933 of the Riley-Stewart Plan which redefined the duties of the Board virtually to what they are today.

Under its Constitutional provisions, the Board is directed to monitor the local property tax, assess railroads and public utilities, and assist and advise the county assessors, the Legislature, and other interested parties. Although the general functions of the Board have remained unchanged, its specific charges have been altered by various developments.

Prior to 1978, the extensive allocation of property tax revenues to share in the funding of public schools and some social services intensified the need for annual intercounty equalization so that revenues could be distributed equitably. An assessors' scandal in 1966 involved several counties and led to reform legislation that greatly increased the Board's involvement in establishing and maintaining assessment standards in the counties. The Board assumed greater control over such functions as appraiser qualifications and training, and conducted periodic reviews in depth of each county's assessment practices.

Another major change in property tax administration came in 1976 when the Legislature enacted the Timber Yield Tax on felled timber to replace the property tax on standing timber. But the greatest change in the state's oldest tax was building rapidly during the 1970s as the homeowner's individual property tax bill soared. It culminated with the adoption by the voters on June 6, 1978, of Proposition 13, which became Article XIIIA of the State Constitution.

The Legislature acted to interpret and implement Proposition 13. Proposition 8 defined "decline in value" and "new construction." Proposition 4 imposed a constitutional limit on government spending. Other measures were enacted and the Board found its advisory role more complex as the law underwent extensive changes and the courts handed down decisions that overhauled the property tax structure. Programs for intercounty and intracounty equalization had to be redirected. As property taxes changed, so did the functions of the units that comprise the Property Taxes Department in the Board of Equalization.

Assessment Standards

Following the Board's renewed responsibility to oversee the local property tax function performed by the 58 county assessors with the 1933 constitutional changes, a series of equalization orders was issued in 1935, 1936, and 1937. In the first year, 24 counties were instructed to alter all assessments on their local assessment rolls between 10 percent to 85 percent. However, only a few equalization orders were needed in the next two years to bring the 58 counties into a reasonable degree of equalization.

To maintain this degree of conformity with state laws on assessment levels and to foster better assessment practices, the Division of Assessment Standards was created in 1938. This division was charged with overseeing all activities relating to local assessments, the promotion of modern assessment systems, and the performance of quality assessments. These duties have changed little over the years except to respond to those economic, social, and political forces that continually alter the direction of the assessment function.

Training and certification of the county assessor appraisal personnel; developing handbook material on assessment functions; advising the assessors on laws, rules, and court decisions; and the assessment practices surveys are the division's principal activities. Each of these functions has assumed greater importance because of Proposition 13 and resultant legislation and judicial rulings.

Property Appraiser Bob Reinhard instructs a class in mobilehome valuation for county assessor personnel.

Appraiser Certification and Training

Few new appraisers were hired by county assessors during the first months following the adoption of Proposition 13. Many assessors' appraisal staffs were significantly reduced by layoffs, voluntary terminations, and retirements. In 1979–80, all assessors' staffs totaled 3,057 nonclerical personnel, down 528 from the preceding year. With the departure of some of the more experienced employees, turnover rate was high, and the assessors moved during the year to fill many of their vacancies. As a result, the number of requests received by the Board for certification of new appraisers and for their training in basic appraisal skills exceeded those for most previous years.

To meet the assessors' most pressing training needs, the Board presented a series of seminars on recent changes in the property tax laws. The Board's training staff explained the many provisions of Assembly Bill 1488, which was the Legislature's primary technical plan for making Proposition 13 operational. Assessors' professional and clerical personnel who attended the seminars learned the solutions to many of the complex problems they had encountered. They were typically concerned with base-year appraisal dates, the definition of "new construction" that must be appraised, and changes of ownership that can cause a reappraisal. Approximately 1,800 members of assessors' staffs attended these special sessions that were held in 24 locations throughout the state.

Many of the traditional courses had to be altered to reflect the specific provisions of Proposition 13, Proposition 8, their implementing legislation, the Board's rules, and ensuing court decisions. The number of such classes and the number of attendees declined from past years primarily because of the emphasis on the special seminars.

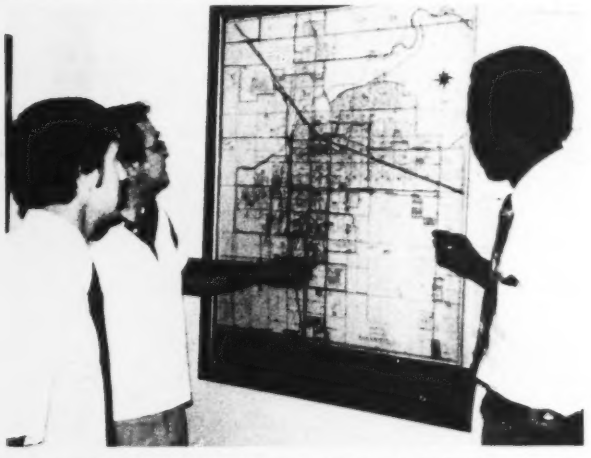
The legislation which tax-exempted 100 percent of business inventories caused significant modifications in the courses the Board provides for auditor-appraisers. Also the split between real and personal property of machinery and equipment assumed greater importance, with the real property coming under the provisions of Proposition 13 and Proposition 8 while personal property remains under the market value system.

Assessment Practices Surveys

The first surveys of county assessment practices were conducted by the Board from 1947 through 1953. The reports provided an analysis of the assessors' programs, procedures, budgets, and equipment. Although 19 assessors requested and received supplemental reports during the next 13 years, the survey program was only semi-active until 1966, when property tax reform legislation required that surveys be performed in each county at least once every six years. These surveys focus more deeply on reasons for the adequacy or inadequacy of assessment practices than the earlier reports.

A guided tour through a mobilehome park is part of a course provided by the Board to train county assessor staff in the valuation of mobilehomes.

Darold Facchini (left), Senior Property Appraiser, and George Speciale (right), Staff Services Manager, discuss preliminary findings of the Board's Assessment Practices Survey with Kern County Assessor Herbert E. Roberts.



Troy Young (right), Chief Real Property Appraiser in the Kern County Assessor's office, points out to Property Appraisers Darold Facchini (left) and Bob Steger the location of recent assessment activities in Bakersfield.

Property Appraisers Bob Steger (left) and Darold Facchini (right) discuss with Troy Young, Kern County's Chief Appraiser, the Board's prior survey of the Kern County Assessor's office and the manner in which the recommendations contained in the report were implemented.

Bill Beecroft (left) and Ray Rothermel (right), both Senior Petroleum and Mining Appraisal Engineers with the Board, discuss oil production figures with Leon Moynier, Chief of the Mineral Division in the Kern County Assessor's office. Kern County is the largest oil producing county in the United States.

Senior Property Auditor-Appraiser Don Bower consults Carol Sparks, Clerk Typist in the Kern County Assessor's office, about the procedures used to maintain personal property assessment files.

John Burum (seated), Chief of the Assessment Standards Division of the Kern County Assessor's office, explains to Staff Services Manager George Speciale how the office uses remote video terminal as part of its records maintenance system.

Current surveys emphasize compliance with Proposition 13, and with other recent constitutional and statutory laws, Board rules, and recent court decisions. Additional emphasis has also been placed on assessors' management systems. Although cyclical reappraisal is not permitted for most properties under Proposition 13, the survey teams continue to find problems in appraisal techniques in most counties. Appraisals are still made under specific situations and for restricted properties (open-space land) still requiring annual appraisal. Also, a new set of quasi-appraisal questions have arisen, such as: Does the property transfer qualify for a reappraisal? Or, is the alteration to be classified as "new construction"?

To survey a county, the Board assigns a team that typically includes a real property appraiser, an auditor-appraiser, a management analyst, an exemptions specialist, a mineral property specialist, and a cadastral map draftsman. The team studies records and interviews key members of the assessor's staff in evaluating the effectiveness of the assessor's operations.

The team's findings are then published in a report that includes recommendations and suggestions for improving the quality and efficiency of the procedures followed by the assessor and his staff. The report may also include descriptions of new or outstanding programs employed by the assessor. The report is distributed to the Governor, both houses of the Legislature, the Attorney General, and to the board of supervisors, grand jury, and assessment appeals board of the surveyed county. Within one year of publication, the assessor must file with the board of supervisors a written response to the recommendations and copies of the response are filed with the Board of Equalization. Each report is also distributed to every county assessor in California to acquaint all assessors with common assessment problems and recommended solutions.

The many changes in property tax laws resulting from Proposition 13 have created assessment problems that must be studied and reported more timely than the six-year survey cycle permits. Therefore the survey cycle has been shortened to four years beginning July 1980. The assessment practices survey will now closely follow the appraisal reviews conducted by the Local Property Tax Monitoring Division (formerly the Intercounty Equalization Division). The plan is for the assessment practices survey to be completed within 18 months of the start of the appraisal sample. Under this format, considerably more detail will be available on areas of conformity and nonconformity as well as a diagnosis of the possible reasons for nonconforming practices.

Specific practices that are of urgent concern to the Legislature, the Board, or the assessors are the subject of a special topic survey program. The first survey of this type was conducted in a number of counties in the spring of 1980 to determine the procedures followed by assessors when valuing property subject to open-space agreements. Special topic surveys on "New Construction," "Petroleum Producing Properties," "Change in Ownership," and "Mandatory Audit Programs" are planned for the 1980–81 fiscal year.

Handbooks and Information Letters

The urgent need to interpret, explain, and implement Proposition 13 and its enabling legislation continued into 1980. Two hundred eleven "Letters to Assessors" were sent during the year, a rapid means of conveying information on specific subjects to assessors and their staff. Eventually much of the information contained in the letters will be incorporated into the appropriate sections of the Assessors' Handbook.

In addition to the Letters to Assessors, the Board's staff again responded to a large number of inquiries for specific information from assessors, the Legislature, and taxpayers. Correspondents frequently asked about changes of ownership that cause reappraisal and items that constitute new construction as defined by Assembly Bill 1488, Chapter 242, 1979.

The need to provide rapid information, changes in procedures caused by new legislation, and the obligation to draft revisions to the Property Tax Rules and Regulations prevented the Board's staff from making necessary revisions to various sections of the Assessors' Handbook during the year. However, the staff made comprehensive revisions to Assessors' Handbook Section 581A, *Percent Good Factors for Industrial Machinery and Equipment.* The staff also began initial redrafting of Assessors' Handbook Section 540C, *The Appraisal of Water Companies.*

Legislation passed in 1979 provides that certain mobilehomes will be subject to property tax. A study of the appraisal of mobilehomes by the Board's staff is the basis for a cost manual and comparison guideline that was distributed to assessors.

Updated building cost supplements to the Assessors' Handbook were furnished for residential structures (Assessors' Handbook Section 531.10) and for

Senior Property Auditor-Appraiser Charles Knudsen consults the Assessors' Handbook in the course of drafting an informational Letter to Assessors.

industrial properties (Assessors' Handbook Section 533.41).

An important part of the enacting legislation following Proposition 13 was the need for a form advising the assessor of the circumstances surrounding the property transfer and the financial consideration if any. Without such information, some transfers would be reappraised as "change in ownership" although they qualified as one of the exempt transactions. This form was difficult to develop because of the divergent opinions among the counties and the changing legislation.

Contract Audit Program

County assessors are required by law to audit, once every four years, the records of any taxpayer who owns business personal property and fixed equipment located in that county valued at $200,000 or more. Auditing the records of taxpayers who maintain their records outside of California would be costly if each assessor acted independently and audited only that part of the records pertaining to property in his county. A number of counties have therefore joined to conduct cooperative audits of taxpayers who own property in each of those counties. These audits are made both in-state and out-of-state.

The Board offers a variation of that service through its contract audit program which was added to the law in 1966. The Board maintains permanent business taxes audit staffs in Chicago, New York, and Houston that can provide property tax audits at lower travel costs. Whenever possible, these audits are performed for several counties to reduce costs even further. Since 1966 the staff has provided almost 5,000 audits for 52 counties and for the State Controller. The audits are effective; last year audits returned $4.70 for each dollar spent. In 1979–80 the Board's staff provided 194 audits.

Property Tax Exemptions

The premise that governs California assessments is that all property is taxable unless it is exempted by federal or state laws. Although federal law has little effect on property tax assessments, the California Constitution and the Revenue and Taxation Code provide for a wide variety of exemptions and special assessment procedures.

Most publicly owned properties are completely exempt. Public agencies cannot be assessed except when a local agency acquires taxable real estate outside its boundaries, while private parties can be assessed for possessory interests they hold in publicly owned real property.

Some types of property, such as churches and welfare properties, are assessed at full value but may qualify for full or partial exemption. Such exemptions reduce or eliminate the general property tax on the properties, but certain special assessments remain applicable.

Office Assistant Denise West and Exemption Officer Bill Grommet of the Assessment Standards Division review the file on a church which has been granted an exemption from property tax.

Some exemptions, such as the homeowners' and veterans' exemption, are fixed dollar amounts regardless of the value of the property (except that an exemption cannot exceed the value of the property).

There are many types of exemption for personal property. Certain documented vessels are 96 percent exempt. Certificated aircraft are fully assessable for the time spent in California except that ground time in excess of 12 consecutive hours is excluded. Business inventories received a percentage exemption from 1969 through 1979 but are now fully exempt.

Appraisals at other than market value are required for certain properties, most notably property subject to open-space agreements. These methods have the effect of partial exemption because the resulting assessment is lower than it would be if the property were appraised in the normal manner.

The Board acts in an advisory capacity on all exemptions and is directly involved in the administration of the welfare exemption. The welfare exemption is a total exemption from property taxes for property where nonprofit organizations perform religious, hospital, scientific, or charitable activities. The Board must annually review each claim and decide if the properties are eligible. Without this determination, the county assessor cannot grant the exemption.

During 1979–80, the Board's staff reviewed 8,303 welfare claims covering approximately 13,000 properties with an aggregate assessed value of $1.673 billion. The staff also responded to numerous inquiries from assessors and the news media about certain types of organizations and the philosophy of the laws that provide for exemptions.

Exemptions are enacted at the state level but result in loss of local revenues. State subventions are paid to local government for some exemptions to offset all or part of this loss, primarily the homeown-

STATE-ASSESSED UNITARY PROPERTY

Type of Property	Number of Companies		Market Values within California		Percent Increase
	1979	1980	1979	1980	
Gas & Electric	23	23	$14,739,362,000	$15,275,173,200	3.6
Telephone & Telegraph	38	39	12,500,173,000	13,569,750,560	8.6
Radio-Telephone	51	52	23,158,065	25,540,185	10.3
Intercounty Piplines	29	28	439,462,818	425,595,370	3.2
Railroads	33	33	1,242,565,150	1,265,191,400	1.8
TOTALS	174	175	$28,944,721,033	$30,561,250,715	5.6

ers' exemption and the business inventories exemption. Assembly Bill 66, enacted in September 1979, completely exempted all business inventories, and inaugurated a new mechanism for calculating the amount of the related subvention. Formerly the state subvened the full amount of revenue loss from this exemption, but with the enactment of Assembly Bill 66, inventories will no longer be assessed. For the first year under the new formula, the base amount was set at the sum of both the taxable and exempt revenues for 1979–80. Thereafter the subvention for each year will be adjusted by the change in the cost of living and in population for each jurisdiction to determine its new subvention level.

A new type of exemption has been created by the Legislature as a result of Proposition 13. Under a strict interpretation of its provisions, any change in ownership causes a reappraisal. With sales prices accelerating at 15–20 percent per year, a recent reappraisal would cause the taxable value of the property to rise rapidly over time. Defining certain property transfers as not constituting "change in ownership" has the effect of exempting the added value caused by inflation on those specific transactions. Also, restricting the type of new construction that can be reappraised as "newly constructed" exempts some alterations, remodeling, and renovations. Both of these exemptions remain in effect until there is a reappraisal triggering change in ownership.

Assessment of Public Utility and Related Properties

The constitutional provisions of 1933 directed the State Board of Equalization to assess annually all pipelines, flumes, canals, ditches, and aqueducts not entirely within the limits of one county, and all property owned or used by railroads, railroad car companies, telephone and telegraph companies, and companies engaged in the transportation of gas and electricity. These companies are valued centrally with their assessed values allocated to the individual taxing jurisdiction in which the utilities' properties are located.

This assessing function was affected only slightly by the provisions of Proposition 13, while the tax rate on these properties has been reduced under the initiative. Unlike all other property which is locally assessed, the Board has ruled that the roll-back provisions (to 1975 value levels) and the 2-percent inflation factor (the maximum allowable annual increase) do not relate to these state-assessed properties. This issue was contested by the Pacific Gas and Electric Company in litigation that eventually reached the California Supreme Court. The Court did not decide the issue but instead rejected the company's case since the utility had not exercised its administrative remedies. It should have filed for refunds on the taxes paid rather than submit the dispute directly to the courts. It is not certain whether the Pacific Gas and Electric Company will pursue the matter, as a similar issue is pending before the courts in another case.

State-assessed properties consist of both unitary and nonunitary properties. Unitary properties are those considered to be a part of the integrated system contributing to the primary function of the company while nonunitary properties are not used or needed in the primary company operation.

Unitary properties are valued as a unit considering the total company, and the estimates of their values are allocated to the appropriate local taxing jurisdiction on the basis of the relationship between the depreciated reproduction cost new of each item of property to the depreciated reproduction cost new of the entire unit. Nonunitary properties are appraised and assessed in much the same manner as property on the local roll was prior to Proposition 13, and are enrolled in the taxing jurisdictions in which they are located.

In its assessments of these utility properties in California, the Board utilizes widely accepted appraisal concepts. Each year the Valuation Division prepares appropriate value indicators for each assessee's unitary properties and presents them to the Board. The indicators include historical cost less depreciation (HCLD), reproduction cost less depreciation (RCLD), capitalized earning ability (CEA), and the

STATE-ASSESSED NON-UNITARY PROPERTY

Type of Property	Market Value		Percent Increase
	1979	1980	
Fee-owned	$480,533,960	$535,858,680	11.5
Leased	311,543,520	338,406,200	8.6
Possessory Interests	37,683,960	41,442,240	10.0
TOTALS	$829,761,440	$915,707,120	10.4

market value of stock and debt (S & D). The Board then determines the value of each unitary property. The division also provides to the Board for information, when it is available, the replacement cost figure taken from the Form 10-K financial report furnished to the Securities Exchange Commission. Since the Board began assessing utility properties in 1935, the assessment roll has grown from a total market value of $890 million to over $31.5 billion as of March 1, 1980.

Audit of Utilities' Financial Records

Audits of two types are conducted to verify the completeness and accuracy of self-reported property statements:

A. Financial audits verify: (1) the income and expense data used to develop the "capitalized earnings" indicator value (CEA), (2) asset and liability accounts used to develop the "stock and debt" indicator of value, (3) asset account and depreciation reserve balances used to develop the "historical cost less depreciation" indicator of value (HCLD), and (4) current asset accounts considered as additives to the "reproduction cost less depreciation" indicator of value (RCLD).

B. Fixed-asset audits verify the detailed reports of assets by locations which are used for allocation of assessed value to local taxing jurisdictions. These audits also develop the reproduction cost new (RCN), age, and normal economic lives of the fixed assets which are used in developing the RCLD indicator. A third product of these audits is the calculation of the remaining economic life of the fixed assets which is used in the CEA indicator.

In 1978–79, the first full year of the audit program, the audit verification of property statements recovered approximately $450,000 in revenue for local government and $170,000 for the state general fund. In 1979–80, the estimated recovery was $41,000 for local government and $347,000 for the state general fund. The dollar value of the actual escaped assessments amounted to $52.8 million in 1978–79 and $33.6 million in 1979–80. Audit findings also led to a disallowance of certain expenses in the Board's 1978 and 1979 calculations of the capitalized earnings indicator (CEA) for railroads, increasing revenue available to local government from this source.

These audits have the further advantage of increasing future revenues by improving the accuracy of future reporting.

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1970–71 to 1980–81

Fiscal Year	Assessed Values [a]				Property Tax Levies [b]		Average Property Tax Rate (in percent)		Property Tax Relief [c]
	Gross (000 omitted)	Annual Change As %	Net Taxable [f] (000 omitted)	Annual Change As %	Amount (000 omitted)	Annual Change As %	Nominal [d]	Effective [e]	Amount (000 omitted)
1970–71	57,373,842	6.5	52,673,989	5.9	5,721,672	15.9	10.86	2.57	316,413
1971–72	60,656,128	5.7	55,770,999	5.9	6,372,331	11.4	11.43	2.80	361,643
1972–73	64,767,892	6.8	59,613,473	6.9	6,819,077	7.0	11.44	2.81	449,154
1973–74	69,115,976	6.7	59,616,596	0	6,647,769	−2.5	11.15	2.66	1,049,055
1974–75	76,275,719	10.0	65,693,398	10.2	7,383,411	11.0	11.24	2.73	1,167,985
1975–76	84,879,753	11.3	73,242,825	11.5	8,304,125	12.5	11.33	2.80	1,306,206
1976–77	96,104,750	13.2	83,687,264	14.3	9,376,391	12.9	11.20	2.81	1,344,981
1977–78	109,390,134	13.8	96,263,695	15.0	10,276,725	9.6	10.68	2.47	1,425,570
1978–79	119,542,405	9.3	105,547,349	9.6	5,035,896	−52.2	4.79	n.a.	786,858
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	n.a.	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	n.a.	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which annual applications must be made (except cemeteries) and the exempt value of business inventories prior to 1980–81 when such property became totally exempt (see footnote [f]); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4-17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' property tax assistance. During 1979–80, the state allocated the following amounts to local governments to cover these: homeowners, $328,218,256; business inventories, $210,266,646; renters, $357,526,234; senior citizens total, $74,005,247: (property tax assistance, $24,522,330, property tax deferral, $3,157,697, and renters tax relief, $46,325,220); open-space lands, $13,214,634; and other, $5,684,891. These amounts total $988,915,906.

[d] Property tax levies divided by assessed values representing varying percentages of market value.

[e] Property tax levies divided by the estimated market value of net taxable properties. Beginning with 1978–79 an effective tax rate can no longer be calculated, since assessed values are not based on market values.

[f] The growth in net taxable valuation was sharply reduced by the homeowner's exemption ($750 of assessed value from 1969–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; 50% from 1974–75 to 1979–80; and 100% beginning in 1980–81). For 1980–81 the homeowners' exemption accounted for $7,168,967,000 of assessed value.

n.a. Not Available.

Private Railroad Car Tax

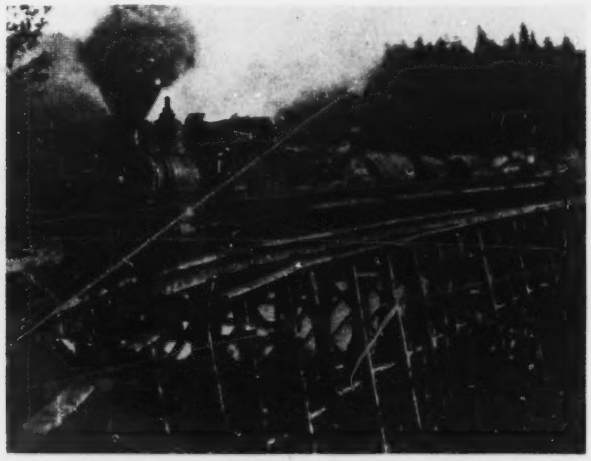
The Board of Equalization assesses and taxes all privately owned railroad car fleets operating within the state. It is the only property tax actually levied, collected, and retained by the state. The railroad cars are owned by firms that lease cars to shippers, companies that haul their own freight, and companies that provide a pool of railroad cars for a fee.

This tax is not imposed on cars owned by railroads assessed by the Board because they are part of the operating property of the railroad company and as such are included in the unitary value. The tax is based on the period of time each car is in the state, its market value, and the average tax rate imposed on all other properties.

Taxes levied during 1979–80 on private railroad car fleets amounted to $5,087,698. Although the revenues are small compared to other tax programs, the administrative cost is also minimal providing an excellent revenue/cost ratio.

Tax-Rate Area Mapping Program

The basic property tax structure in California is composed of thousands of taxing jurisdictions which are authorized to collect a property tax from all taxable property within their boundaries. Counties, cities, and school districts are the principal agencies within this structure; however, its complexity is derived primarily from thousands of overlapping special districts. Water districts, fire districts, irrigation districts, weed districts, flood districts, mosquito abatement districts, port districts, industrial districts, redevelopment districts, park districts, regional districts, and transportation districts are some of the thousands of special districts that provide specialized services to people and property throughout the state. To assure proper reporting of property to each of these jurisdictions and the proper allocation of the assessed values of state-assessed utilities, an intricate system of tax maps has been developed and maintained by the Board of Equalization.



The boundaries of these jurisdictions overlap forming unique clusters of properties served by common revenue districts each having a common tax rate. A separate tax area code number is assigned to each area that has its own particular combination of overlapping districts. State assessees are required to report their property holdings in each tax-rate area of this type. Local property taxpayers must report to the county assessor by these tax-rate areas and the county assessor must code each assessment on the roll to determine the assessed value basis for each revenue district.

Whenever a district elects to change its boundaries through annexations, mergers, or dissolution, or a new city or district is formed, legal descriptions of the area affected, maps of the impacted area, and other data must be filed with the Board of Equalization. With these documents, the staff of the Valuation Division is able to delineate the revised boundaries, identify and resolve problem areas, assign a unique tax rate area code, and distribute copies of the revised maps to all affected state assessees and county assessors' offices.

Proposition 13 affected this function in two different ways. First the limitation on the property tax revenues that could be collected and the prohibition on further bonds caused many districts to consider merging or dissolving. Each of these transactions requires a new delineation of the boundaries and reassignment of tax-rate area codes. Secondly, with the complex method for sharing property tax revenues, many new incorporations and hundreds of annexations are held in suspension or abandoned entirely because the parties cannot agree on how to share the revenues from the $4 tax rate allowed by the Constitution.

Complicating the procedure is a provision in Assembly Bill 8 that allows for separate distribution formulas within each unique tax rate area. Prior to Proposition 13, if two or more tax-rate areas had the same combination of taxing jurisdictions, they automatically had the same tax rate and the same tax-rate area code. However, under Assembly Bill 8, that provision no longer applies, and each cluster of overlapping districts must be kept separate.

Local Property Tax Monitoring

This program is the successor to the former inter-county equalization program. From the inception of that program, the Board has been required to oversee the local property tax system; to monitor its level of conformity with state laws, rules, and regulations; and whenever necessary to take steps to assure equalization both between individual counties and within counties. This function has had a turbulent history almost from the start, culminating with the aftershocks caused by Proposition 13 and its implementing legislation. It is this program within the Board's property tax program that was most significantly altered by the voter-approved initiative.

Delineator Carl Shauger prepares a tax area map which defines the boundaries of special taxing jurisdictions.

Both the State Constitution and the statutes require the Board to determine annually assessment levels in each of the 58 counties. Neither funding nor techniques are available at present to fulfill that mandate. Further, the two principal methods of accomplishing equalization available to the Board, (1) automatic equalization of state aid via the "Collier Factor," and (2) countywide equalization orders are either inoperative or impractical.

Ken Dal Busco (left), Associate Property Appraiser, and Gene Mayer, Chief of the Local Property Tax Monitoring Division, appraise a sample property in Modesto to determine if the Board staff concurs with the values set by the assessor for new construction.

Board appraisers arrive in Modesto to conduct a Local Property Tax Monitoring survey. Above (left to right) are Ken Dal Busco, Tom Robinson, Dan Ortlan, Ron Saario, and Bob Donay.

Rather than ignore this important function, the Board has turned to a third enforcement technique: the assessment practices surveys (page 23), which evaluate the effectiveness of the assessor's appraisal system and assessment program. These reports call to the attention of state and local government and all county assessors defects in each county's assessment system. By linking the field appraisal surveys, which were formerly conducted on a three-year cycle, with the more office-oriented assessment practices surveys, which were conducted on a six-year cycle, a more detailed and comprehensive evaluation of the total assessment system could be made. To achieve this linkage, several steps were taken by the Board.

First, both surveys were put on a four-year cycle, with the assessment practices surveys to follow immediately the appraisal surveys. Secondly, the structure of the appraisal surveys was significantly altered to deal with the specific provisions of Proposition 13. The key elements of the revised structure are as follows:

1. The assessments will be stratified (classified) into five categories based on the reappraisal criteria: 1975 base-year properties; those with a change in ownership since March 1, 1975; those with new construction; those secured roll properties not covered by Proposition 13; and unsecured assessments.
2. The field work is completed in two stages. Determination must be made as to (a) whether the Board staff concurs with the appraisals of the assessor, and (b) if not, the staff's determination of the taxable value.
3. The discussion will deal both with the concurrence and nonconcurrence and with the assessor's value conclusions.
4. Considerable attention will be given to the factors leading to the Board staff's nonconcurrence.
5. The appraisal surveys will not result in county or statewide estimates of values or ratios. Instead, they will focus on conformance with state laws and rules. The results will be published and expanded on in the assessment practices survey that will follow immediately.

During 1979–80, six counties were selected for sampling under the modified procedure. One result of this six-county survey is a better estimate of how the local assessment rolls are distributed among the four classes of property (unsecured assessments comprise the fifth category): 37 percent of the secured roll properties were reappraised because of a change in ownership between March 1, 1975, and February 28, 1979; 37 percent of the properties still retained their 1975 base-year value; 13 percent underwent new construction; and 14 percent were not affected by the value-restricting features of Proposition 13.

With the continuing evolutionary changes in this program caused primarily by legislative redirection and court decisions, considerable attention will be focused on this program over the next two years. The Board, in meetings with the assessors, must resolve some aspects of the survey mechanism. The Legislature must find some alternative mechanism for automatically adjusting the amounts of aid to local schools in cases of underassessment. At present, the law prescribes the amount of funds that must be made available to each school district. The difference between that total and the amount collected for the school districts from the property tax must be provided by the state general fund on a dollar-for-dollar basis. Currently about 38 percent of the revenues from the property tax is allocated to support public education. Thus, for every dollar of property tax revenues not collected because of underassessment, 38 cents is made up to the county from the state's general fund.

Timber Tax

The Board was assigned the administration of the Timber Yield Tax in 1976. This law was enacted to tax forest products as they are harvested, replacing the property tax on standing timber. The timber land remained subject to annual ad valorem property taxes.

As required by law, the Board adjusts the tax rate on harvested timber annually in December for the following calendar year. The tax rate is the previous year's tax rate adjusted to the nearest one-tenth of 1 percent in the same proportion as the change in the average general property tax rate in the 17 rate-adjustment counties specified in the Timber Yield Tax Law. Currently the yield tax rate is 3 percent.

The Board's Timber Tax Division registers timber owners who intend to harvest timber, provides tax return and harvest report forms, compiles harvest reports, processes tax returns filed and tax payments made, and conducts verification audits. The Timber Tax Division also formulates proposed rules and regulations for approval by the Board. It establishes semiannual timber value schedules that are based on market value sales of timber. These schedules become the official values used in calculating the Timber Tax when approved by the Board. The staff also reviews timberland sales in order to estimate land values that, following adoption by the Board, become the basis for valuation of timberland within the timberland preserve zone (TPZ) for the succeeding three years.

Land whose highest and best use is growing timber has been designated as timberland and placed in timberland preserve zones. These lands are subject to county assessment and are valued according to the schedule of values prescribed in the law. A landowner whose land has not been included in the timberland preserve zone can petition local government for inclusion. There were approximately 5.6 million acres zoned as timberland preserve by June 30, 1980.

As required by law, new timberland preserve zone value schedules were adopted by the Board to be effective January 1, 1980, for the following three years. These new values have proven to be controversial. Some assessors believe the values approved by the Board are too low. Lower values, of course, result in lower revenues. Some timberland owners believe the adopted values are too high, which results in higher taxes. Several county assessors have requested a rehearing and a group of timberland owners have taken legal action.

In accordance with the law, a Timber Advisory Committee was appointed by the Board. It is composed of the Honorable William M. Bennett, the Third District Member of the State Board of Equalization, as Chairman; a forester from the State Department of Forestry; the assessors from Del Norte, Humboldt, Modoc, Plumas, and Tehama counties; and one representative each for large-scale and small-scale timber owners. The large-scale representative is the resource manager for Diamond International Corporation in Red Bluff, and the small-scale representative is a member of the Forest Landowners of California.

Forest Property Appraiser Neal Beckett (right) of the Timber Tax Division demonstrates log scaling procedures to Office Assistant Janice Burns.

After consultation with the Timber Advisory Committee, the Board adopts harvest value schedules no later than June 30 and December 31 each year. These schedules are prepared for different areas of the state after the staff makes field examinations and analyses of market sales of logs and standing timber. Registered timber owners must use these harvest value schedules to compute the value of their harvested timber and the amount of tax payable to the Board.

Timber owners are required to file quarterly tax returns and harvest reports with the Board. During fiscal year 1979–80, the Board maintained approximately 2,000 active accounts with new registrations and closeouts averaging 100 each per month. Total tax collected on timber harvested from April 1, 1977, through June 30, 1980, amounted to $96.5 million. Total value of all timber harvested for the same period was approximately $1.9 billion. During fiscal year 1979–80, the total yield tax collected was $23.5 million on a total timber harvest value of $783 million.

The State Controller distributes the revenues from the Timber Yield Tax to counties that assessed timber from 1972 to 1974. Each of these counties receives a guaranteed amount that represents the average annual property tax collected on timber during that three-year period. If total revenues exceed that guarantee, and after costs also exceed a specified reserve amount, the surplus is distributed to all timber counties in proportion to where the taxes were collected. This distribution is based on harvest data compiled by the Board. The yield tax revenue guarantee is distributed semi-annually—50 percent on November 30 and 50 percent on May 31. If there is any surplus, it is distributed annually on August 1.

To date, there have been six timber tax revenue distributions to the counties totaling $80 million. The value of timber harvested to produce this tax was approximately $1.7 billion. An additional revenue distribution of $11.6 million from the surplus reserve account was made on August 1, 1979.

During 1979–80, the Timber Yield Tax produced half the revenue it generated for the preceding year. Actually the $22.76 million was less than the local property tax raised before the enactment of the Timber Yield Tax. The Timber Yield Tax rate is tied to the average local property tax rate in the 17 major timber producing counties. In reducing the property tax rate, Proposition 13 caused a reduction by one-half in the Timber Yield Tax rate from its former 6 percent to 3 percent.

The Timber Yield Tax Law required the Legislative Analyst to prepare a report reviewing the yield tax rate, revenue distribution mechanisms, and land valuation procedures for submission to the Legislature and to the Revenue and Taxation Committees in each house. That report is in process.

A provision contained in the original legislation implementing the Timber Yield Tax required that the Legislative Analyst prepare a report by June 1980 on various aspects of the tax. In response to requests for data for that report and requests from the Assembly Revenue and Taxation Committee, considerable data was compiled on the administration of this tax.

During 1979–80, a study evaluated the effectiveness of the Board's data processing system, and proposed significant changes. Some of the proposed changes depend upon the Legislative Analyst's report and therefore remain unresolved as the Annual Report goes to press.

Forest Property Appraisers Neal Beckett (left) and Larry Fogreson inspect a stand of timber harvested by cable logging.

Property Taxes Legislation

During the 1979 legislative session, numerous bills were enacted that changed the administration of the property tax in California. In normal years, most of these legislative items would have been considered significant, but in the post-Proposition 13 era, they became minor waves in the ever widening circles of change. Continuing efforts to implement the provisions of Proposition 13, the Legislature enacted the following four bills:

Senate Bill 17—Chapter 49—May 2, 1979

Defined the terms for valuing those parcels of real property with a 1975 base year. This legislation stated that all properties that had been reappraised for the 1975 assessment roll were to remain at those values; all properties with changes in their enrolled value between the 1974 roll and the 1975 roll were rebuttably presumed to have been reappraised for 1975; and when valuing those properties that had not been revalued for 1975, only those factors and indicia of fair market value actually utilized in appraisals made for 1975 were to be employed.

Assembly Bill 1019—Chapter 1161—September 29, 1979; Assembly Bill 1488—Chapter 242—July 10, 1979; and Assembly Bill 1489—Chapter 1188—September 30, 1979.

All of these dealt with further interpretation of the complex provisions of Proposition 13. Among the more significant features of these three bills are the provisions on "change in ownership," "new construction," and reporting changes in ownership.

This legislation clarified those sections of law adopted in 1978 immediately following the approval of Proposition 13. The provisions dealt in part with the determination of when the transfer of an interest in real property constitutes a "change in ownership" triggering a reappraisal under the terms of Proposition 13. Interspousal transfers were reestablished as not constituting "change in ownership," while the provisions on corporations were tightened. Leases that were considered a "change in ownership" moved from a 10- to 35-year term and revocable trusts were no longer treated as a "change in ownership." Other changes included the requirement that all persons transferring an interest in real property must file a "change in ownership" form.

In other legislation:

Assembly Bill 8—Chapter 282—July 24, 1979

Dealt primarily with the distribution of the property tax revenues among various levels of local government and specified how the state's general fund would contribute to the funding of the local public school system. In general the state left all proceeds of the property tax at the local level with the cities, counties, and special districts funded at the same level as 1978–79 including the state's bailout funds. All additional property tax revenues were allocated to the schools. About 37 percent of the 1979–80 local property tax revenues went to schools to make up about 20 percent of the funds necessary to support the public education system. The state's general fund is to make up the total difference in support of the schools.

Assembly Bill 66—Chapter 1150—September 29, 1979

Increased the business inventory exemption to 100 percent, eliminating the need for the assessee to report inventories and for the assessor to enroll, then exempt, the assessments. A formula was substituted for actual exemptions to compute the state subvention for this exemption.

Assembly Bill 887—Chapter 1160—September 29, 1979 and Senate Bill 1004—Chapter 1180—September 30, 1979

Changed the methods for taxing mobilehomes. Those mobilehomes on permanent foundations, those purchased new on or after July 1, 1980, and those whose registration has been delinquent for 120 days will be subject to the property tax. They will be assessed as if they were real property, exempted from the motor vehicle license fees, exempted from the sales and use tax upon resale, subjected to a substantially reduced sales tax when purchased new, and subjected to the property transfer tax. It was the legislative intent to treat mobilehomes as single-family residences for tax purposes.

Proposition 4 on November 6, 1979

Indirectly affects the Board's activities. Under the provisions of the initiative, the spending levels of state and local governments are held to a base-year figure with growth over time limited to the Consumer Price Index and population growth. If future revenues grow faster than the allowable spending limits the surplus must be returned either as refunds or in reduced tax rates. Because of the interaction of the state and local tax base, there will be continual legislation and administrative action to balance the funding-spending mechanism.

V. ECONOMIC ANALYSIS

Introduction

During the summer and fall of 1979 some voices were predicting a slackening in business while others conjectured that the economy of the nation had already slipped into recession. Early in 1980 recession seemed ever more imminent and as winter gave way to spring it became inevitable. The downturn that finally arrived has been called the most publicized recession in history. From our vantage point we know the nation's economy slipped into recession in January according to the National Bureau of Economic Research, the office which officially dates a recession. By early autumn it appeared that the economic downturn may have bottomed out in July or August.

Probably no profession has been as precarious as that of economic analysts in recent years. Their failure to foresee the strong inflationary trend of the 1970s tended to reduce their credibility. Their predictions and postponements of the onset of the current recession have further eroded the public's confidence in their competence. Indeed, so many predictions have missed the mark that they no longer evoke the response they received at one time. This dilemma was aptly described by a caption in *Business Week* (July 14, 1980), "The Year the Forecasters Really Blew It".

Where does the nation's economy stand? What course did it follow during fiscal 1979–80? Where is it headed? The status of the economy and charting its course are of such enormous importance that the media are continuously presenting some aspect of it. Economic indexes closely monitored for their value in predicting or identifying recession have presented conflicting signals which have confused the experts.

A year ago we observed that the state of the economy had been bandied about for months and that the recession to come had been heralded more widely than any other. In retrospect far more journalism has been devoted to the subject in the latest fiscal year. At the beginning of the fiscal year there were some causes for pessimism. In the spring quarter of 1979 real Gross National Product (GNP) had declined at an annual rate of 2.3 percent. (GNP is the broadest measure of the total value of goods and services in the nation.) Measures of consumer confidence then were also close to their lowest levels in four years. GNP turned upward, however, as the new fiscal year started and while the economy did not slide into recession at that time a significant slowdown in business activity did develop.

The nation's monthly composite index of 12 leading economic indicators—a cyclical indicator of various measures of employment, production, consumption, and investment—generally unchanged throughout 1978–79, began an 11-month decline in July 1979 during which the index fell from 141.6 to 123.8. Most of the monthly decreases were too small to be decisive but the drop of 4 percent from March to April was the sharpest drop-off in the 32-year history of this series. Performance of the index clearly indicated recessionary conditions and this conclusion was later confirmed by the second-quarter drop of 9.6 percent in GNP.

A review of headlines blazoned across the state's newspapers over the past year indicates something about the art of forecasting as well as the course of the economy.

At first we were assured that recession would not hit the state hard; the economy of California was healthy according to the experts. A veteran realtor, however, warned that the economy would worsen, but a month later a Brookings Institute Fellow informed a gathering of realtors that the state would avoid recession.

During the fall, housing slid into the slump that had already depressed the automotive industry, but still employment, personal income, and retail sales maintained greater strength than anticipated, so some observers began to ask where the recession was. Consumers' free-spending habits were credited by the press with fooling the experts who had been predicting an economic downturn.

After months of unfulfilled predictions, early in the winter a news item cautiously acknowledged that, "Signs Point to the Recession". In early March, it was, "Recession May Be On the Way". Later in the same month, we read, "California No Longer Seen as Immune from Recession". When U.S. retail sales reported for the month of February showed a decline (0.7 percent), the national outlook turned more pessimistic.

Finally, in May recession was acknowledged by forecasters. Gloomy pronouncements were made in rapid succession. Slow growth of income, continuously declining retail sales, high inflation rates, high mortgage rates, tightening of credit restrictions, a record decline for April in the Index of Leading Economic Indicators (−4.0 percent), and finally a decline in the Gross National Product confirmed the economic downturn. The second-quarter drop of 9.6 percent (annual rate) in GNP was the worst since World War II.

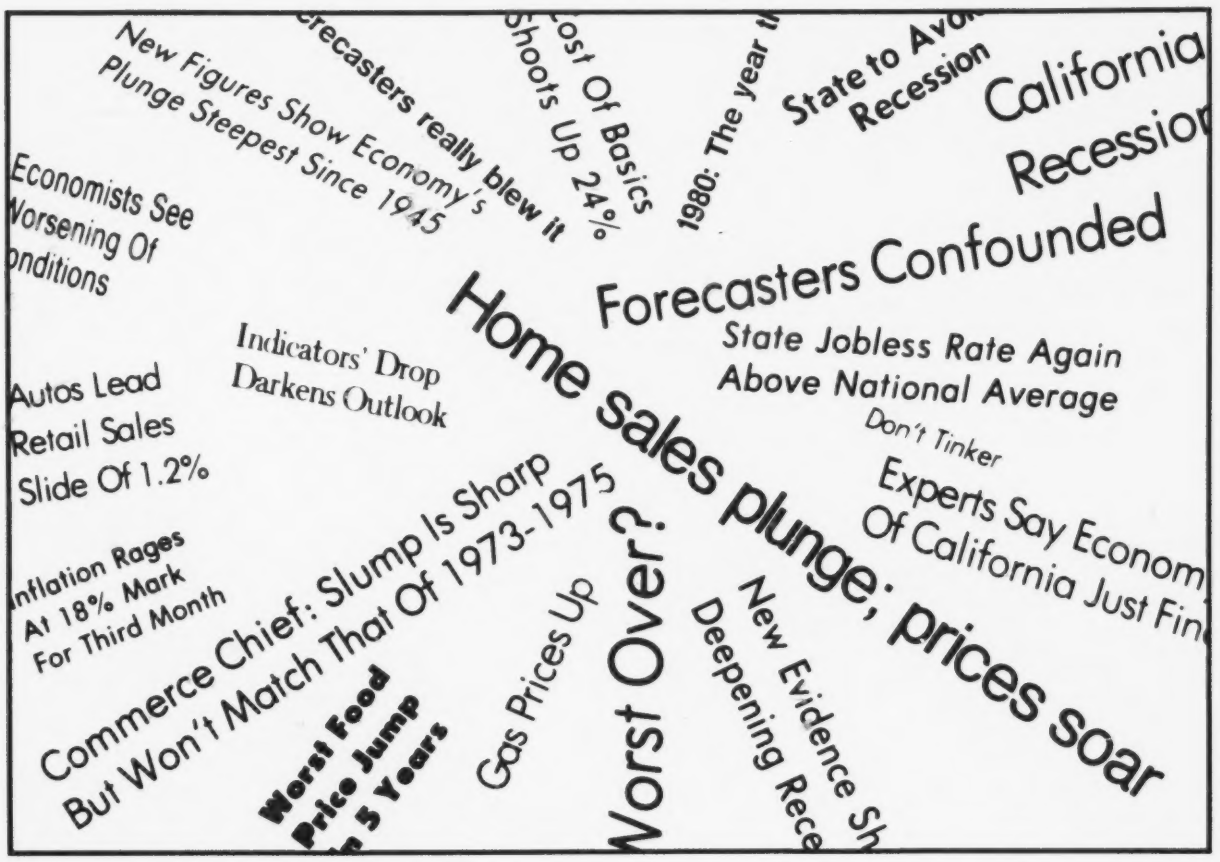
Forecasters reviewed the economic data for possible signs of optimism. Farming was heralded as the industry that would boost the economy of California, the number one farm state in the nation. Farm receipts of $12.1 billion for 1979 were up 16 percent. The confidence index (prepared for the Conference Board, a business-research organization, based on a survey of 5,000 households nationwide) for June turned up for the first time since the preceding October. After declining for four months in a row, nationwide retail sales in June turned around and housing appeared to be on the upswing.

A look beyond the headlines reveals that predictions were often based on incomplete data. Too much may be read into a single index or too broad generalizations may be made from a single statistic such as new housing starts, new car sales, CPI, or GNP. Some economic series are released on an advance basis and later revised at stipulated intervals. GNP is a case in point. When the numbers for the first quarter of 1979 were first released, the real increase was at an annual rate of 1.1 percent. Later, the rate was dropped to 0.6 percent. Subsequently, the final figure is up to 1.2 percent. Obviously, preliminary numbers and analyses or predictions based on them can be misleading.

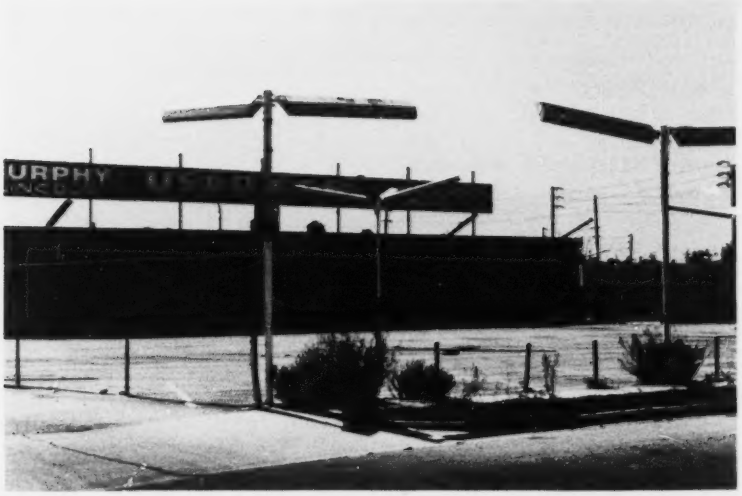
Although the state's economy displayed strength during the year, the housing and automotive sectors have been depressed. The status of these industries is of utmost concern to those vitally involved in them. However, important as they are to the state's economic health, they do not govern the overall level of economic activity even though some headlines would lead us to believe otherwise.

Recent Economic Developments

The economic situation was improving rapidly as the fiscal year ended June 30. A number of recent indexes point to a quick turnaround in economic activity. The Index of Leading Economic Indicators rose by a record 4.6 percent in July, the second consecutive advance and the largest one-month gain since June 1975 when it jumped 3.2 percent. Nationwide retail sales in June reversed a four-month decline by advancing 1.5 percent. In July, they climbed


New Figures Show Economy's Plunge Steepest Since 1945
Economists See Worsening Of Conditions
Autos Lead Retail Sales Slide Of 1.2%
Inflation Rages At 18% Mark For Third Month
Indicators' Drop Darkens Outlook
Commerce Chief: Slump Is Sharp But Won't Match That Of 1973-1975
Worst Food Price Jump
Gas Prices Up
Worst Over?
Home sales plunge; prices soar
New Evidence Sh
Deepening Rece
Forecasters Confounded
State Jobless Rate Again Above National Average
Don't Tinker
Experts Say Economy Of California Just Fin
California Recessio
State to Avo Recession
1980: The year t
Cost Of Basics Shoots Up 24%
Forecasters really blew it

Contradictory headlines filled the papers as economic indexes presented conflicting signals which confused the experts. As a result, 1980 was described by one magazine as "the year the forecasters really blew it."



Auto sales declined as the price of gasoline skyrocketed.

3.1 percent and in August, another 1.5 percent. After three months of contraction in installment credit which fell 13.5 percent in June (annual rate), credit purchases increased 18.4 percent in July. Prepared only every other month, the state's CPI for August registered a decline of 0.4 percent from June as prices held fairly steady, although the price level was 14.1 percent higher than August 1979. The index of consumer confidence released by the Conference Board advanced in August for the third consecutive month. With such widespread optimism and improvement in auto sales and housing, the economy was holding steady if not improving.

Personal income of Californians which includes wages, salaries, rent receipts, stock dividends, and interest, minus Social Security contributions, is estimated at an annual rate of $253 billion in the final quarter of the fiscal year, 13.5 percent higher than a year earlier.

Although people were earning more they saved less. The rate of personal saving fell to 3.5 percent of disposable personal income in the autumn of 1979, the lowest rate in nearly 30 years. The rate remained a low 3.7 percent in the winter of 1980 but rose to 4.8 percent in the spring when sales dropped sharply. Even the higher rate was still far below the long-term trend of some 7 percent that prevailed before the 1974–75 recession. Why are Americans saving so little? Because it does not pay to save. Why save when inflation and taxes erode values faster than they are replaced by interest earned? Increasing prices make saving difficult if not impossible. Maintaining an accustomed standard of living may preclude saving. On the other hand the necessity of saving has been reduced for many people by pensions, social insurance, and health insurance. For now it seems apparent that the rate of saving will remain low until it becomes profitable to save.

While saving at a lower rate consumers also borrowed at a slower rate as the fiscal year progressed. The outstanding volume of short and intermediate term credit, after rising at an annual rate of 13 percent early in the year, began to fall after the administration imposed credit restrictions early in October. More stringent restrictions imposed five months later in March prompted consumers to pay off their debts more rapidly than they assumed new obligations, resulting in a decline of 13.5 percent in the volume of installment credit in both May and June (annual rate).

The economic health of the nation, to a large extent, depends on consumer spending. The strong purchasing power of consumers has been credited with pulling the economy out of the 1974–75 recession. This purchasing power combined with inflation psychology motivating consumers to spend lavishly in order to avoid price hikes has been credited with postponing the current business downturn. The importance of consumer spending in the overall picture of the nation's economy is evident in the fact that consumer spending accounts for virtually 65 percent of the nation's GNP. Fluctuations in consumer spending, thus, have a strong impact on GNP.

The civilian labor force in the state expanded by a quarter-million while the number of job holders increased by about one hundred thousand during the fiscal year; consequently the rate of unemployment rose from 6.0 percent in June 1979 to 7.3 percent in June 1980. While most types of employment held steady or registered overall increases, the number of construction workers dropped by 50,000 or 10.6 percent and the number in manufacturing declined by 38,000 or 1.9 percent. The largest gains were in the service industries, 102,000 or 4.9 percent, and retail trade, 33,000 or 2.0 percent.

Consumer Price Indexes and Inflation

The Consumer Price Index (CPI) has come under increasing scrutiny ever since it began accelerating upward at an annual rate of 13 percent early in 1979. The added momentum which propelled it to 17–18 percent in the early months of 1980 has raised doubts about its reliability. What is the Consumer Price Index? It is an index designed to measure price changes —to gauge prices consumers are paying for identical or nearly identical goods and services over time. Although it is frequently referred to as a cost-of-living index it is not and it was never intended to be. Both income taxes and Social Security taxes are excluded from the CPI but a cost-of-living index would have to take them into consideration. However, the CPI is accepted and used as a measure of changes in the cost of living because it seems to come closer to measuring this than any other available statistic.

Critics contend that the index has in several ways exaggerated the increase in the cost of living. The monthly surveys which form the basis for the CPI, price a fixed market basket of goods and services. It is assumed that consumers buy the same mixture in the market basket of goods and services month after month which is obviously unrealistic. The typical shopper makes price-sensitive substitutions regularly. Some price changes lead customers to switch to products they have not purchased previously, or to change the relative proportions of the items which are purchased. Many customers buy proportionately less of those items for which prices have risen most rapidly while they buy more of those items which have risen more slowly in price. Consequently when prices are rising, a fixed-weight index becomes overly weighted with items which have risen most rapidly in price and in this way exaggerates the overall rate of inflation.

Although the market basket is revised about every ten years, shifts in consumer preferences during the decade are not taken into consideration in monthly pricing. Furthermore, there is a time lag of several years in the adoption of a new market basket. For example, the current CPI was revised effective January 1978, but its market basket was selected from surveys of consumer purchasing habits conducted in 1972–73. Since those surveys were made, we have experienced several years of severe inflation which have doubled consumer prices and buying patterns have certainly been altered by those price hikes.

Another serious criticism of the CPI is that it overstates inflation by placing too much emphasis on prices of new homes and mortgage rates. The monthly index tracks the costs for those who buy or refinance their homes and it is supposed to weight these

Consumers alter their buying patterns in response to changes in the economy, making it difficult to develop an accurate standard to measure the cost of living.

proportionately, but it apparently overstates such costs for the majority of homeowners who are paying lower mortgage rates on loans acquired years ago. Because of the method used in computing housing and mortgage interest costs it is widely assumed that the CPI overstated the real rise in the cost of living in 1979 by 1 to 2 percent.

An index which is attracting greater interest is the personal consumption expenditure (PCE) deflator, which is used to deflate consumer spending in the gross national product. It covers most of the goods and services included in the CPI but it uses current buying patterns rather than the fixed market basket of the CPI. The PCE deflator is generally acknowledged to provide a better sight on housing costs of homeowners than the CPI, but whereas the CPI overstates housing costs the PCE deflator understates them. It imputes a rent figure for homeownership costs using the rent index, which has increased only moderately. During 1979 the PCE deflator rose 10.2 percent, nationally, while the CPI jumped 13.3 percent. The spread between these two measures of inflation was minor when prices were relatively stable during the 1950s and 1960s but the gap has widened in recent years as prices have accelerated.

Proposition 13 has had an erratic effect upon the California CPI. In December 1978 the effects of property tax reductions mandated by Proposition 13 were incorporated in the housing component of the CPI. As a result the index for 1978 was lower than it normally would have been. In December 1979 the large increases in property taxes caused by purchases of new homes and resales of existing homes during the year were incorporated in the index. The net effect produced an abnormally large increase for that month and raised the annual average.

The federal government endeavors to bring inflation under control through monetary policy, by reducing the supply of money and credit in the economy, and through fiscal policy by curbing federal spending or increasing taxes. Tightening monetary policy makes money available for borrowing more scarce and more costly. Thus it reduces spending and brings it into balance with the available supply of goods. A reduction in federal spending relieves demand while increased taxes reduce the amount of money consumers have available for spending.

When inflation is raging the government may apply monetary or fiscal procedures to contain price increases, slowing economic growth to the point of an actual decline in economic activity—a recession. A recession reduces consumer demand and cools inflation but it also creates undesirable effects: business activity declines, unemployment increases, and profits drop. Before a recession becomes too painful the government usually eases up on the monetary and fiscal restraints to stimulate demand and economic growth.

Aviation remained an important source of revenue and employment in California.

Monetary restraints applied early in the fiscal year were ineffective. Prime interest rates, mortgage rates and inflation gained momentum month by month. In March, the prime rate approached 19 percent. FHA mortgages were at 13 percent and the nation's CPI was forging ahead at an annual rate of more than 16 percent. On March 14 as part of an anti-inflation program the administration moved to restrain credit growth by imposing wide-scale controls on consumer credit. Restrictions were applied to virtually all types of consumer credit: charges were imposed for servicing credit card accounts. Consumers retrenched immediately. Credit card usage shrank as did the demand for loans on autos, furniture, and electrical appliances. Credit extensions contracted so abnormally that there were disruptive consequences for the entire economy. The fiscal and monetary measures imposed transformed a fragile economic situation into a sharp decline. Because of its harsh consequences the program was partially rescinded on May 22 and entirely terminated on July 3. Some analysts attribute a lessening of inflation psychology to the efforts to control credit. Others cite the tightening credit restrictions imposed early in 1980 as a contributing factor to the drastic decline in taxable sales during the spring quarter.

Revenues Depict Sharp Contrasts

The Board of Equalization administers taxes which yielded $10,223,801,000 during fiscal 1979–80 as shown by the figures in the table on page 42. (See Appendix Table 2 for additional detail and historical comparisons.) Aggregate revenues increased 11.7 percent during the fiscal year. Per capita revenue in current-value dollars totaled $446, up $39 from fiscal 1978–79. Expressed in dollars of constant value (adjusted for an average increase of 15.1 percent in the Consumer Price Index) per capita revenue actually decreased by $19 from the prior fiscal year.

The state sales tax (4.75 percent) yielding receipts of $6,658,425,000 maintained its position as the state's largest single source of revenue with an increase of 14.6 percent. The Board collected an additional $1,850,300,000 in sales and transactions taxes for other governmental agencies—cities, counties, and transit districts. Transit district taxes at the rate of one-half of 1 percent are levied in five counties: Alameda, Contra Costa, San Francisco, Santa Clara, and Santa Cruz. A proposal for a similar tax in Los Angeles County was on the November ballot, and was enacted by the voters.

Fuel taxes aggregated $880,952,000 during fiscal 1979–80, down by 3.4 percent from the previous year. Gasoline tax receipts of $800,012,000 at 7 cents per gallon, represented 90.8 percent of all state fuel taxes. Distributions of 11.3 billion gallons of gasoline (269.5 million barrels at 42 gallons per barrel) were 5.0 percent less than in 1978–79. While consumption of gasoline shrank during the year, the use of diesel fuel

Farming was heralded by economic forecasters as the industry that would boost the economy of California, the number one farm state in the nation. Farm receipts of $12.1 billion for 1979 were up 16 percent from the previous year.

expanded. The state's excise tax of 7 cents per gallon on diesel fuel topped $77.5 million, up 5.5 percent from the prior year. Distributions of nearly 1.2 billion gallons increased accordingly. Consumption of jet fuel (other than that used in commercial aviation), taxed at 2 cents per gallon advanced 8.2 percent, more rapidly than any other type of fuel. Distributions of 50.2 million gallons of jet fuel yielded revenues of $988,000. Net revenue was less than distributions indicated because tax picked up by audit was less than refunds based on audits. Historical data and assessments are presented in Appendix Tables 23–25.

Fuel taxes and fuel consumption have generated a great deal of heated debate since prices began to spiral upward early last year. The Board issues monthly press releases with summary data on gasoline distributions to inform the public through the media about current developments. Substantial interest has also been expressed in the amount of sales tax generated by gasoline. Even though consumption declined during the fiscal year, sales of gasoline at current prices produced far more sales tax than gasoline sales did a year earlier. Board statisticians believe that because consumers must pay higher prices for gasoline, some sales are being diverted from other types of taxable merchandise. Consumers have a limited amount of discretionary income and if a disproportionate share is spent on fuel there is less to spend for other goods and services.

Excise taxes on cigarettes and alcoholic beverages are levied on a unit basis. Cigarettes taxed by the state at 10 cents per pack produced $290.0 million in 1979–80 on an accrual basis which includes a one-time windfall of $18.0 million resulting from revisions in accounting procedures. Excluding the windfall, revenues rose 1.2 percent from a year earlier. (See Appendix Tables 30A and 30B for additional data.) Distributions of 2,728,000,000 packs of tax-paid cigarettes were 0.4 percent greater than in 1978–79. Per capita consumption however, dropped from 127.7 to 125.4 packs.

Alcoholic beverage taxes yielded $138.9 million, a decrease of $1.1 million or 0.8 percent. Beer and wine tax collections of $26,183,000 were up 4.2 percent while distilled spirits accounted for $112,757,000, a decrease of 1.9 percent. Following the elimination in spring 1978 of fair trade laws which had controlled the prices of liquor it was anticipated that California distributions of distilled spirits would jump to a higher level. The impact now appears to have been minor, especially since growth in the consumption of beer and wine outpaced that of distilled spirits. The increasing popularity of beer and wine over distilled spirits is attributable to a number of factors. Demographics enter the picture as the average age is rising and the number of young adults is increasing. People appear to be drinking more moderately. Historical data are presented in Appendix Tables 27–29.

The electrical energy surcharge is a tax imposed upon the use of electricity in California. It generated $19,022,000 an increase of 5.3 percent from 1978–79. The rate set by the Board of Equalization was $0.00015 (fifteen one-hundredths of a mill) per kilowatt hour (KWH) from September 1, 1979 until September 1, 1980 when it was raised to $0.00016. Electrical consumption totaled 144.9 billion KWH, a decrease of 3.3 percent from 1978–79. Conservation efforts are having a visible impact. This was the first decrease in consumption since the inception of this program January 1, 1975. In prior years electrical usage had increased approximately 4 percent a year.

The emergency telephone users surcharge produced $15,142,000 an increase of 7.6 percent. This levy on telephone bills is at the rate of one-half of 1 percent. The Legislature passed SB 1180 to maintain the tax at that rate until November 1, 1982.

The timber yield tax rendered receipts of $23,792,000, only 52 percent as much as it produced in the preceding fiscal year. This tax has replaced the former ad valorem levy on standing timber administered by county assessors. The revenue collected by the state is reserved in its entirety for allocation to counties, and does not enrich the state's revenues. The drastic reduction in revenue reflects the stagnation in the lumber industry which was in a deep recession. High mortgage rates and slack demand for new housing created a sudden slowdown in new construction.

The expanding sales of building materials dealers leveled off, then declined during 1979–80, reflecting the cutback in construction activity.

COMPARISON OF REVENUES
1978–79 and 1979–80
(in thousands of dollars)

Revenue Source	*1978–79*	*1979–80*	*Percent Change*
Sales and use taxes			
State tax (4¾%)	$5,810,484	$6,658,425	14.6
City and county sales tax (1%)	1,209,699	1,383,386	14.4
County transportation tax (¼ of 1%)	302,446	345,736	14.3
Transit district taxes (½ of 1%)			
San Francisco Bay Area	61,938	74,591	20.4[3]
Santa Clara County	36,506	41,880	14.7
Santa Cruz County	1,391[1]	4,489	—
Other taxes and fees	522	583	11.7
Totals	$7,422,986	$8,509,090	14.6
Fuel taxes and fees			
Gasoline and jet fuel	$836,862	$801,000	−4.3
Diesel and other motor fuel	75,210	79,952	6.3
Totals	$912,072	$880,952	−3.4
Alcoholic beverages taxes	$140,060	$138,940	−0.8
Cigarette tax	268,816	290,043[4]	7.9
Electrical energy surcharge	18,066	19,022	5.3
Emergency telephone users' surcharge	14,069	15,142	7.6
Local taxes on state assessed properties[2]	326,167	342,316	5.0
Timber yield tax	42,518	23,425	−44.9
Timber reserve fund tax	3,244	367	−88.7
Private car tax (railroad cars)	3,325	4,504	35.5
Grand Totals	$9,151,323	$10,223,801	11.7

[1] Collections for only seven months.
[2] Collected by county tax collectors.
[3] Metropolitan Transportation Commission revenues have been included on this line and they exaggerate the increase because interest is accrued on MTC monies. Interest amounted to $2,314,789 in fiscal 1979–80; $962,947 in 1978–79.
[4] Includes a one-time windfall of $17,989,780 resulting from revisions in accounting procedures.

Taxable Sales Weaken

Transactions subject to California sales and use tax law totaled $138.4 billion during fiscal 1979–80. The annual increase was 13.5 percent or $16.4 billion in current value dollars. Retail price levels rose during the year and the California Consumer Price Index (CPI) advanced an average of 15.1 percent. Goods and services for which the customer paid $10.00 in 1967 averaged $23.40 in 1979–80. In June, however, the CPI was 17.3 percent higher than in June 1979. Consumer prices during June were 2.5 times as much as in the base year of 1967. In terms of dollars of constant value, taxable sales declined 1.4 percent during the year. The decline was in sharp contrast with growth of 5.7 percent in 1978–79 and an even stronger 7.6 percent in 1977–78.

Quarterly taxable sales are summarized and compared in the following table. The holiday quarter of 1979 registered the highest dollar volume of the fiscal year with 26.4 percent of the total. Inflation worsened during the quarter to diminish the real gain in sales volume to 2.9 percent from a year earlier. Inflation raged through the next two quarters. Its impact was so devastating that the inflation-adjusted taxable sales volume declined significantly from quarter to quarter throughout the fiscal year.

In the final quarter sales performance was the weakest it had been in 22 years. Since the first quarter of 1958, no downturn in the economy had caused such a rapid deterioration in taxable sales. At that time when prices were rising only some 3 percent a year taxable sales in terms of dollars of constant value fell 9.0 percent below the volume in the first quarter

TAXABLE SALES COMPARISONS BY QUARTER, 1979–80

	Taxable Transactions		*Percent Change from Prior Fiscal Year*		
1979-80	*AMOUNT*	*PERCENT OF TOTAL*	*ACTUAL DOLLARS*	*CONSTANT DOLLARS*	*CALIFORNIA CONSUMERS' INDEX PRICE*
July–September	$33,458,767,000	24.2	15.5	4.2	10.8
October–December	36,600,305,000	26.4	16.9	2.9	13.6
January–March	33,341,342,000	24.1	14.1	−3.3	17.9
April–June	34,950,233,000	25.3	7.9	−8.3	17.7
FISCAL YEAR	$138,350,647,000	100.00	13.5	−1.4	15.1

of 1957. The poorest performance during the 1974–75 recession was in the first quarter of 1975. Then, as the CPI was advancing at approximately 12 percent, the inflation-adjusted sales volume receded by 5.8 percent from the level a year earlier.

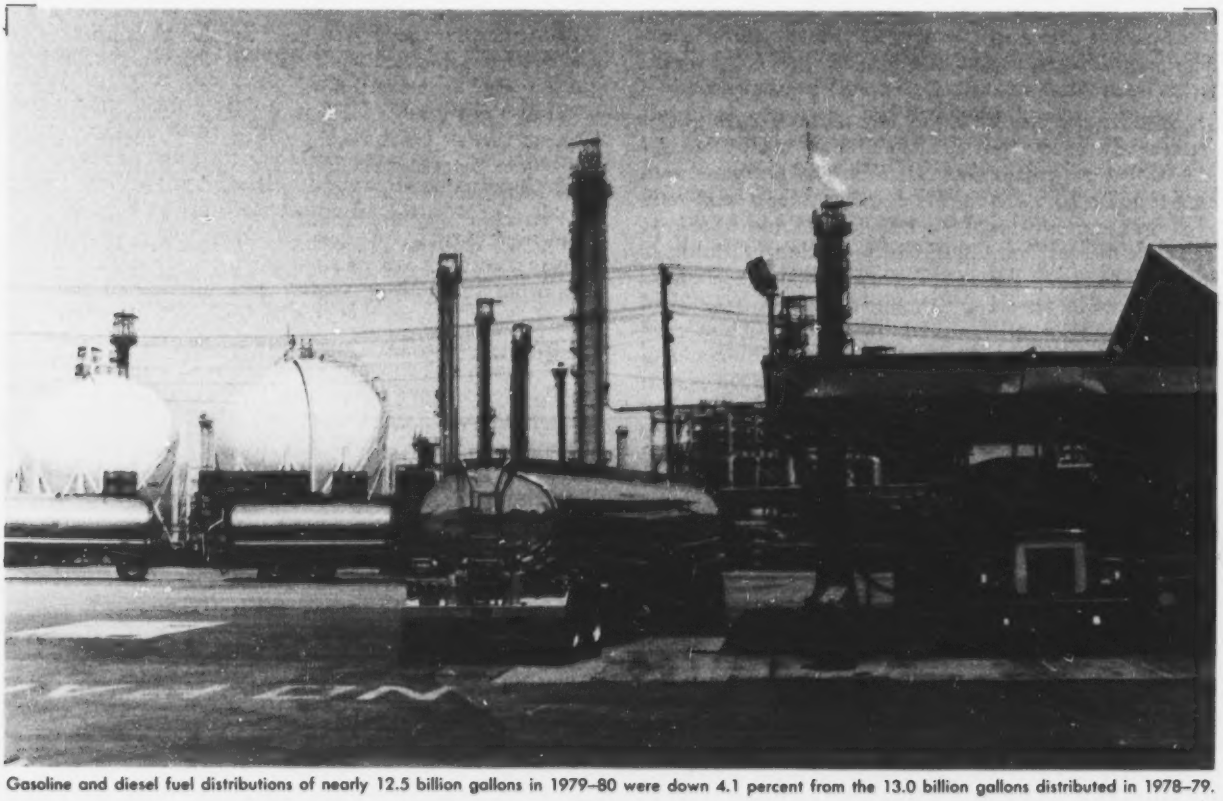
Inflationary pressures intensified during the initial quarter of the fiscal year pushing the CPI to double-digit proportion. From this springboard the CPI moved upwards rapidly for two quarters before leveling off in the final quarter of the fiscal year.

The growth shown for the California CPI in the text table has been estimated by the Board's statisticians. It is their estimate of the quarterly average and thus it will not relate precisely to the bimonthly indexes prepared by the Department of Industrial Relations, though it is based on them. The rate of change shown in constant dollars in the text table has been computed after expressing taxable transactions for each period in terms of January 1970 dollars.

Retail stores posted taxable sales of $91,562,073,000, marking a gain of $10,312,745,000 or 12.7 percent for the year. (See Appendix Tabie 19 for detail by type of business.) Sales growth for the retail store category was one percentage point less than in 1978–79 and was also a bit weaker than that for the other business categories. For business and personal service establishments taxable transactions (based primarily on materials and parts used in service and repairs since repair-labor is tax exempt) totaled $4,992,585,000, up 13.5 percent. "All other outlets", comprised primarily of manufacturers, construction contractors, itinerant vendors, and part-time permittees regardless of type of business, increased their taxable transactions by $5.5 billion, 15.3 percent, to total $41,795,989,000.

Durables had surpassed the growth of nondurables for 14 straight quarters through the first quarter of 1979. Then the trend was reversed in the spring of 1979 as the price of gasoline (nondurable) spiraled and the sales of new cars and trucks (durables) fell off sharply. Nondurables have now expanded more rapidly than durables for five successive quarters. For the fiscal year the relative gains were 4.2 percent for durables and 19.1 percent for nondurables.

New car dealers were the mainstay of durables as they tallied $11,386,869,000 in taxable sales, 5.4 percent less than in 1978–79. The component of the CPI for new cars increased about 7.5 percent during the year, so there was a decline of approximately 12 percent in the inflation-adjusted sales volume of new car dealers. Taxable sales of new car dealers in addition to new cars and trucks include receipts from their sales of used vehicles, leasing vehicles, and parts used in repairs, but exclude charges for labor. Registrations of 1,032,973 new cars decreased 11.4 percent while new trucks totaling 263,105 fell off 9.7 percent



Gasoline and diesel fuel distributions of nearly 12.5 billion gallons in 1979–80 were down 4.1 percent from the 13.0 billion gallons distributed in 1978–79.

REGISTRATIONS OF NEW MOTOR VEHICLES COMPARED TO TAXABLE SALES OF NEW CAR DEALERS

1979–80	Registrations: Automobiles Number	Automobiles Percent Change Year to Year	Trucks Number	Trucks Percent Change Year to Year	Total Number	Total Percent Change Year to Year	Taxable Sales of New Car Dealers Number	Taxable Sales of New Car Dealers Percent Change Year to Year
July–September	267,180	−2.4	71,881	−2.0	339,061	−2.3	$3,060,899,000	2.2
October–December	253,505	−11.2	65,527	−5.7	319,032	−10.1	2,788,009,000	−3.9
January–March	283,704	−6.5	68,329	−4.9	352,033	−6.2	2,999,003,000	−4.8
April–June	228,584	−24.5	57,368	−25.2	285,952	−24.7	2,538,958,000	−15.1
FISCAL YEAR	1,032,973	−11.4	263,105	−9.7	1,296,078	−11.0	$11,386,869,000	−5.4

from registrations a year earlier. The combined total of 1,296,078 was 11.0 percent lower than the number registered in the preceding fiscal year. The total number of autos and trucks registered in the state as of June 30 was 15,190,264. The overall increase for the year was 407,512 vehicles or 2.8 percent.

Sales of all types of new vehicles were erratic. Included were cars, trucks, mobilehomes, trailers, campers, boats, motorcycles, and airplanes. During the year sales of new vehicles plummeted both from deterioration of economic conditions and from distortions of our economy. In each quarter of the fiscal year registrations of new vehicles were less than a year earlier. The worst performance was in the spring of 1980 when the number of new registrations was the lowest for any quarter of the year, dropping 24.7 percent below the number a year earlier. At the same time new car dealers recorded their lowest quarterly sales volume of the year, 15.1 percent less than in the ame period of 1979.

As fuel shortages developed in the spring of 1979 cutbacks quickly followed, in sales of new vehicles, especially of gas guzzlers. Faced with excessive inventories of 1979 models during the summer and fall of 1979, manufacturers provided rebates of up to $500 and dealers offered discounts. These incentives were not enough to pull sales out of the doldrums. The introduction of new models in mid-October got a chilly reception and new car sales in the autumn continued to fall behind manufacturers' projections. Production schedules were cut back and by December, thousands of auto workers had been laid off. Chrysler Corporation developed such deep financial problems that it presented the federal government with a proposal for a billion-dollar loan guarantee which was hammered out by House-Senate conferees and approved by Congress.

As inventories bulged with large and medium-sized models, the demand for small fuel-efficient vehicles also softened somewhat. Imported makes, including Volkswagen but excluding imports sold by American manufacturers, enlarged their share of the market dramatically, as they accounted for approximately half of all new car sales in the state.

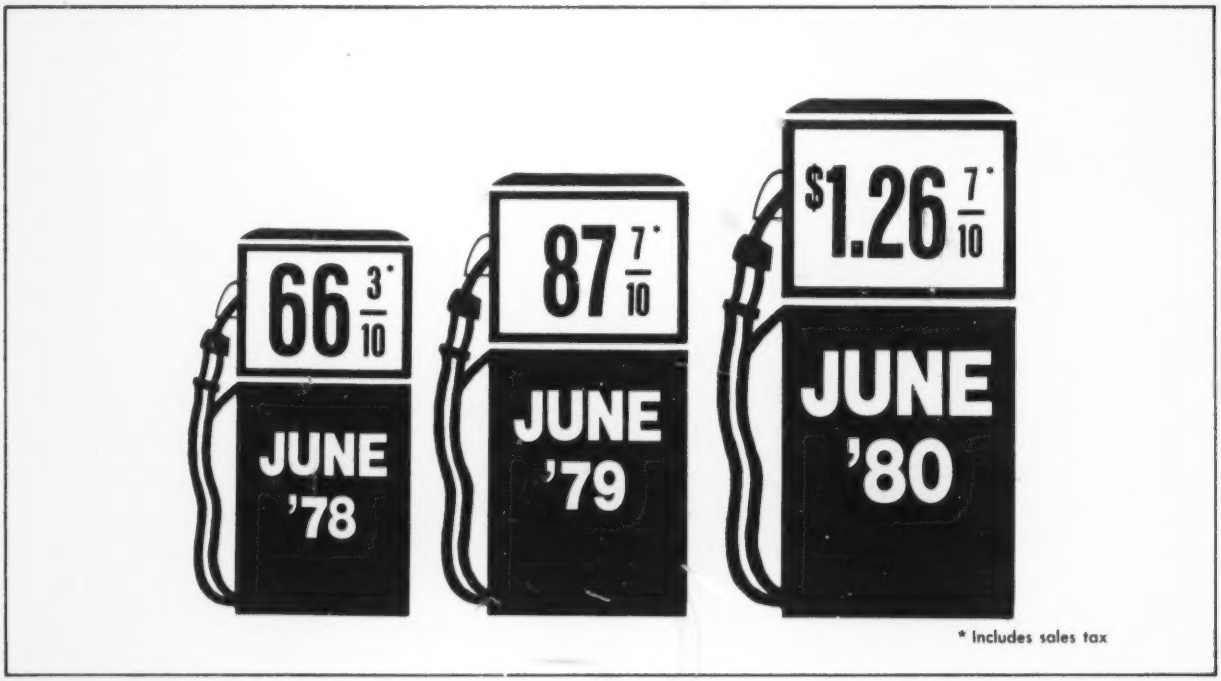
February was the best month for auto dealers as registrations of new autos and trucks were up 2.2 percent from a year earlier; May was the worst month with a decline of 36.8 percent.

Boat, motorcycle, and airplane dealers posted a decrease of 2.0 percent. Unit sales of new motorcycles leveled off during the year as the registrations of 99,284 new vehicles rose only a slight 0.9 percent from 1978–79.

The most outstanding sales gains throughout the year were made by service stations. Their taxable sales climbed from $3.3 billion in the summer of 1979 to $4.1 billion in the spring of 1980 to total $14.9 billion for the year, a phenomenal 48.9 percent higher than in 1978–79. The volume of gasoline distributions, however, dropped by 5.0 percent to 11,316,801,000 gallons. Distributions of gasoline and estimated expenditures are summarized in the following table:

TAXABLE TRANSACTIONS OF SERVICE STATIONS COMPARED TO GASOLINE DISTRIBUTIONS, BY QUARTER, 1979–80

1979–80	Service Stations: Taxable Transactions Amount	Service Stations: Taxable Transactions % Change Yr/Yr	GASOLINE DISTRIBUTIONS Gallonage Amount	Gallonage % Change Yr/Yr	Estimated Expenditure Amount	Estimated Expenditure % Change Yr/Yr
July–September	$3,292,695,000	38.0	2,910,073,000	−5.2	$2,744,199,000	37.7
October–December	3,597,521,000	53.1	2,806,927,000	−7.2	2,798,506,000	40.2
January–March	3,934,355,000	56.5	2,773,356,000	−4.8	3,156,079,000	57.5
April–June	4,099,291,000	47.8	2,826,445,000	−2.9	3,377,602,000	40.3
FISCAL YEAR	$14,923,862,000	48.9	11,316,801,000	−5.0	$12,076,386,000	43.8



*Includes sales tax

Service stations captured 9.8 percent of all taxable transactions in the summer of 1979, a larger share than any other class of business. By early 1980 they had increased their share by 2 percentage points to 11.8 percent. On balance, for the fiscal year they accounted for 10.8 percent of the state's total taxable transactions, a significant increase of 2.6 percentage points over 1978–79.

After rising by only about 10 cents a gallon in the previous fiscal year, prices began to soar in the spring of 1979 and gained momentum each quarter of fiscal 1979–80. In the summer of 1979, as motorists know all too well, the pump price with sales tax approached $1.00 a gallon and during the fiscal year it climbed to about $1.25. The average price per gallon of gasoline is based on a scientific sample of all sales tax accounts the Board has coded as service stations. The fuel situation is described in detail in the next section of this report.

While the use of gasoline was shrinking, consumption of diesel fuel accelerated. Fiscal year distributions of 1,164,375,000 tax-paid gallons were up 5.5 percent. The combined usage of gasoline and diesel fuel, 12,481,176,000 gallons, was 4.1 percent less than the 13,020,875,000 gallons in 1978–79.

The number of outlets coded as service stations decreased by merely 49 during fiscal 1979–80, dropping from 15,774 to 15,725. This marked the end of a nine-year trend during which the number of stations has plummeted by 30 percent. Our definition of "service station" includes some establishments which are not gas stations because a refinery operating retail gasoline stations is treated in Board statistics as a unified operation and all of its units are coded as a service station.

Petroleum Developments

Turmoil in the Middle East, the availability and price of crude petroleum, along with available supplies and prices of gasoline and diesel fuel were frequently publicized during the fiscal year.

In June 1979, the Organization of Petroleum Exporting Countries (OPEC) announced the biggest increase in crude oil prices in five years, a minimum of 24 percent, from $14.55 to $18.00 per 42-gallon barrel. Several weeks later President Carter exhorted every American to conserve all types of energy. Motorists had already begun to conserve gasoline earlier in the year. Long waiting lines at service stations, limitations on the number of gallons sold at one time, uncertainty over the availability of gasoline and step-like price hikes all tended to limit the use of fuel. Refineries and distributors had set up quotas for stations based on a percentage of the gallonage they had pumped in the same month a year earlier. The effect of these conservation measures combined with escalating prices reduced consumption of gasoline by 5.2 percent during the summer and travel on the state's highway system dropped 3.7 percent from its level in the summer of 1978 according to the

monthly Traffic Trend Reports issued by the State Department of Transportation. For the entire fiscal year under study highway travel was estimated to be 0.9 percent less than in 1978–79.

Several developments complicated the political and economic situation in Iran during the fiscal year. The United States Embassy in Teheran was overrun on November 4, 1979 by militant students who captured the American staff as hostages. They demanded the return of the Shah who had been flown from exile in Mexico to New York City for surgery. Within days Prime Minister Mehdi Bazargan and his entire cabinet resigned and control of the government was in the hands of Ayatollah Khomeini and his Revolutionary Council. President Carter ordered a halt to oil imports from Iran which amounted to about 4 percent of U.S. consumption. Next, the President froze billions of dollars of official Iranian assets that were in the United States.

In mid-December Saudi Arabia and three other OPEC nations raised their oil prices by $6 a barrel, pushing the average price to $24 a barrel. This increase forced the price of gasoline and diesel fuel up 5 cents a gallon or more. Wholesale contract prices rose more slowly for the remainder of the fiscal year except for spot market prices reported to be as much as $35 a barrel at times. Saudi Arabia more than the other OPEC members has restricted increases in crude oil prices. Nevertheless, by the end of the fiscal year Saudi Arabia's price had been pegged at $28 a barrel. At the mid-September meeting of OPEC oil ministers in Vienna, the Saudis agreed to a base price of $30 a barrel while the other OPEC members agreed to freeze their prices at current levels at least until the next OPEC conference in December. The higher price was made retroactive to August 1, and some oil companies immediately raised their prices by several cents a gallon.

Five days after the OPEC ministers' negotiations in Vienna, border skirmishes gave way to open warfare between Iraq and Iran, posing a grave threat to their petroleum industries. Iraqi air and ground forces bombed and burned Iran's Abadan refinery, the fourth largest refinery in the world. Iran's air force retaliated by bombing Iraq's capital city of Baghdad and the oil cities of Basra, Kirkuk, and Mosul. Iraqis struck at numerous Iranian military installations and the important oil terminal on Kharg Island, at one time the world's largest oil exporting terminal, near the northern end of the Persian Gulf.

The immediate objective of the Iraqis seems to be to gain undisputed control of the Shatt al-Arab and other border regions to the north of the estuary. The waterway Shatt al-Arab is formed by the confluence of the Tigris and Euphrates Rivers and since 1975 the middle of the estuary has been designated as the border between the two countries. Both Iraq and Iran have vulnerable petroleum and petrochemical installations along the banks of the waterway which extends 120 miles to the Persian Gulf.

Sales Level Off for Other Major Types of Business

Department and dry goods stores as a class of business ranked third in taxable sales volume with $10,619,135,000. Reclassification of a number of outlets requires combining data for "other general merchandise" stores with those of department stores to make valid comparisons. Such sales aggregating $11,134,597,000 were 8.8 percent higher than in 1978–79. Limited-price variety stores registered a decrease in sales because one chain (Kress) went out of business during the year.

Last year's report pointed out that the building material group had set the sales pace for four consecutive fiscal years as its sales volume expanded more rapidly than that of any other type of business during the period. In 1979–80, its taxable sales leveled off at $6.2 billion, a nominal 8.0 percent more than in the preceding fiscal year. Quarterly sales performance reveal increasing deterioration as the year wore on. The year-to-year increase of 16.6 percent in the summer of 1979 was the smallest growth in six quarters. However, this was followed by 13.7 percent, then 8.4 percent, and in the spring of 1980 by a negative 5.1 percent. The exceptional increase of 35.9 percent shown for plumbing and electrical supply stores was not attributable to sales growth; it occurred instead because several corporations were removed from the wholesale category and classified as retailers since the bulk of their business was found by audit to be retail.

The sales pattern of the building material group reflects the cutback in construction activity. The number of permits issued for private residential housing units dropped 20.4 percent from 206,600 in 1978–79 to 164,400 in fiscal 1979–80. Commercial and industrial construction, however, absorbed much of the shock as the value of nonresidential building authorizations increased by $2.0 billion, 36.5 percent, to total $7,491,300,000. Early in the fourth quarter of 1979 the Federal Reserve Board (FRB) boosted interest rates in an endeavor to control inflation. Housing construction was curtailed as the credit controls imposed by the FRB accelerated a slow decline that had begun early in 1979. Stringent controls on credit applied in April and the resulting high mortgage rates drastically curtailed new housing starts and sales in the spring quarter.

Recent data indicate that the recession probably bottomed out during the summer and the economy is on the road to recovery. The state's unemployment rate in September dropped to 6.9 percent of the labor force. Nationally, retail sales in September advanced for the fourth month in a row. Consumer credit in August increased for the first time in five months. Early sightings on real GNP during July through September indicate growth at an annual rate of 1 percent. Double-digit inflation and rising interest rates, however, are expected to hamper further economic growth.

VI. BUSINESS TAXES

The Board is responsible for annual state and local business taxes revenues of $9,853,189,000 through administration of the following laws:

Sales and Use Tax (pp. 49–50)
Local Sales and Use Taxes (p. 51)
Transit District Transactions (Sales) and Use Taxes (p. 51)
Use Fuel Tax (p. 51)
Motor Vehicle Fuel (Gasoline) Tax (p. 52)
Aircraft Jet Fuel Tax (p. 52)
Alcoholic Beverage Tax (p. 53)
Cigarette Tax (p. 53)
Insurance Tax (p. 54)
Energy Resources Surcharge (p. 54)
Emergency Telephone Users Surcharge (p. 55)

During 1979–80, these revenues were collected at a cost of $66,870,000. The cost averaged only 68 cents for each $100 collected from the Business Taxes programs.

Since the business tax laws are based on a self-assessment system, the Board solicits voluntary cooperation from the more than 663,489 taxpayers in filing required tax returns and is consistently striving for improved methods to accommodate taxpayers more effectively. The Board provides service through 71 field offices in convenient locations statewide, and offices in New York, Chicago, and Houston to serve taxpayers who do business in California but have their headquarters or records in other states.

Audit Activities

Sound auditing practices are essential to the effective administration of the self-assessed business taxes. These activities protect the tax base, lead to detection and timely correction of reporting errors, and assure that tax laws are enforced uniformly. Knowledge that planned and vigorous audit activities exist and that any taxpayer may be called upon to substantiate the correctness of tax returns deters carelessness or evasion.

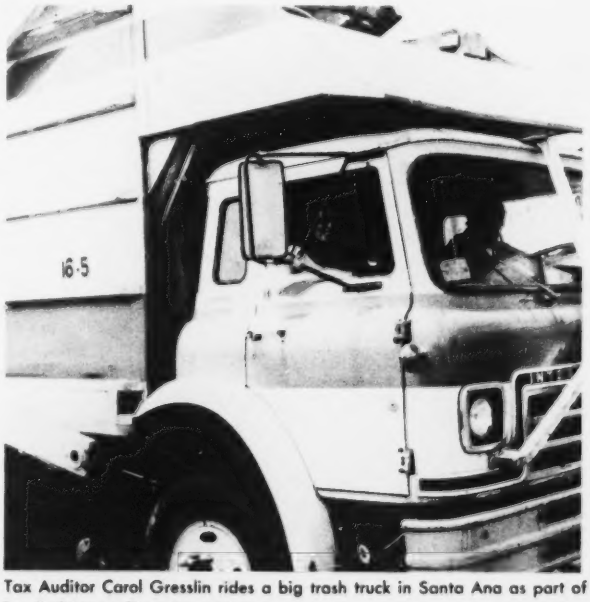
The audit program provides information to taxpayers which enables them to complete their tax returns and pay their taxes correctly, efficiently, and economically. Interpretations of the law and related regulations given to taxpayers during the course of an audit guide them in properly reporting future tax liabilities, whether the audit discloses understatements or overstatements of reported tax. Auditing also provides taxpayers with an independent professional review of their record-keeping procedures.

During the 1979–80 fiscal year, the Board's audit efforts again resulted in extensive detection of underpayments and overpayments of self-assessed taxes. Corrections resulting from audits are referred to as "tax change" which may be refunds or billings or the sum of both. Total tax change for all business taxes amounted to $136.4 million, 17.4 percent more than the $116.2 million of the preceding year. Tax change per audit hour rose from $127.89 to $150.33. The tax change included $11.1 million in refunds made to 2,467 taxpayers.

A staff of 793 auditors conduct field auditing activities: 680 are assigned to field offices in California and 113 are assigned to Board field offices in New York, Chicago, and Houston to audit taxpayers in those areas who do business in California.

The Board's audit selection system is periodically refined and updated as the law changes and new trends and practices develop in business and industry. The system is designed to concentrate the available audit resources on those accounts most likely to produce tax change in excess of the cost of the audit while monitoring other accounts to promote accurate self-reporting.

A summary of all field auditing activities is shown in Table A. Table B is an analysis of audit achievements for the various business taxes.



Tax Auditor Carol Gresslin rides a big trash truck in Santa Ana as part of her fuel tax audit assignment.

TABLE A
SUMMARY OF BUSINESS TAXES FIELD AUDIT ACTIVITIES
FISCAL YEARS 1975–76 to 1979–80

Year	Number of Audits Completed[a]	Hours of Direct Field Audit Time[b]	Average Hours Per Audit[a, b]	Direct and Indirect Cost[c]	Tax Change[a, d, e]		
					Total	Per Hour	Per Dollar of Cost
1979–80	24,768	907,522	36.6	$29,524,000	$136,425,000	$150.33	$4.62
1978–79	24,834	908,626	36.6	25,997,000	116,200,000	127.89	4.47
1977–78	26,031	882,416	33.9	23,800,000	104,681,000	118.63	4.40
1976–77	26,240	922,509	35.2	22,931,000	94,423,000	102.36	4.12
1975–76	26,811	964,514	36.0	21,702,000	76,911,000	79.74	3.54

[a] Includes field billing orders, i.e., deficiencies or refunds based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for reaudits and hours spent on field waivers.
[c] Includes overhead costs and a portion of the costs of other state agencies such as the Department of Finance and the State Personnel Board.
[d] Includes tax change arising from state-administered local taxes.
[e] Adjusted for estimated cancellations.

TABLE B
ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY FISCAL YEAR 1979–80

Tax Program	Number of Audits[a]	Number of Hours[b]	Average Hours Per Audit[a, b]	Tax Change[a, c, d]			
				Refunds	Deficiencies	Total	Per Hour
Sales and Use Tax	23,648	875,192	37.0	$9,826,951	$122,534,994	$132,361,945	$151.24
Use Fuel Tax	757	14,188	18.7	343,526	951,899	1,295,425	91.30
Motor Vehicle Fuel License Tax	98	10,491	107.1	820,095	1,254,603	2,074,698	197.76
Alcoholic Beverage Tax	213	5,056	23.7	69,969	222,123	292,092	57.77
Cigarette Tax	52	2,595	49.9	–	401,024	401,024	154.54
TOTAL BUSINESS TAXES	24,768	907,522	36.6	$11,060,541	$125,364,643	$136,425,184	$150.33

[a] Includes field billing orders, i.e., deficiencies or refunds based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for reaudits and hours spent on field waivers.
[c] Includes tax change arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.

Tax Auditor Ann Evans of the Sacramento District office introduces herself to a taxpayer as she begins an audit of his records.

Tax Auditor Rudy Zaragoza (right), thanks the owner of a San Bernardino appliance store for his cooperation during the audit.

At the interview desk in the Santa Ana office, Program Technician Angela Riddle completes a taxpayer's application for a seller's permit.

Compliance Activities

Service to taxpayers to help them comply with tax laws is the essence of the Board's business taxes compliance program. During 1979, the Board recovered delinquent taxes at a rate of $313 for each hour of collection time expended, a favorable cost benefit ratio of 20 to 1.

The Board's compliance program enforces the provisions of the business taxes laws and regulations. It licenses those firms which are required to report and pay business taxes, determines that taxes due are reported correctly and paid timely, and informs taxpayers of any violations of the business taxes laws. Compliance personnel also expedite collections of delinquent accounts through telephone and mail contacts rather than the many personal visits formerly made by field staff.

Checks received by the Board for payment of returns or accounts receivable which are dishonored and returned to the Board are subsequently billed to the taxpayer. During 1979–80, 15,357 dishonored checks were processed. The number of dishonored checks increases each year because of the continuing growth in the total numbers of sales outlets and tax returns filed. Table 18 in the statistical appendix shows the increase in number of permits and in revenue by fiscal year.

Registration

Field offices issued 146,365 new business taxes permits during 1979–80 and closed out 127,012, a net gain of 19,353. An active enforcement program is directed at the early detection of unlicensed sellers and the prompt closeout of taxpayer accounts no longer entitled to the permit.

Tax Return Processing

Over 2.8 million tax returns were mailed to taxpayers for their use in reporting business taxes. The Board has designed one form to report all of the following sales and use taxes: the State Sales and Use Tax (4.75 percent), the Local Sales and Use Tax (1 percent), the County Transportation Tax (.25 percent), and three separate transit district taxes (.5 percent). See Appendix Tables 21A, B, C, and 22 for specific allocations.

Each tax return is reviewed for mathematical accuracy and for proper exemptions. When the verification process is completed, the returns are either microfilmed or stored in files. A microfilm system installed in 1979–80 is reducing storage space and costs. To date, more than 1.5 million selected documents have been reduced to microfilm.

Use Tax Activities

All purchases of vehicles, vessels, and aircraft in California are subject to either sales or use tax. Purchases from dealers are subject to sales tax. Purchases from nondealers or through brokers are subject to use tax. The Board staff establishes and maintains accounts, determines amounts due, grants exemptions, and collects delinquencies on transactions subject to use tax. During 1979–80, 93,997 new accounts were established: 55,141 of these were cleared by voluntary payment, 21,337 were granted exemption, 17,419 required enforced collection.

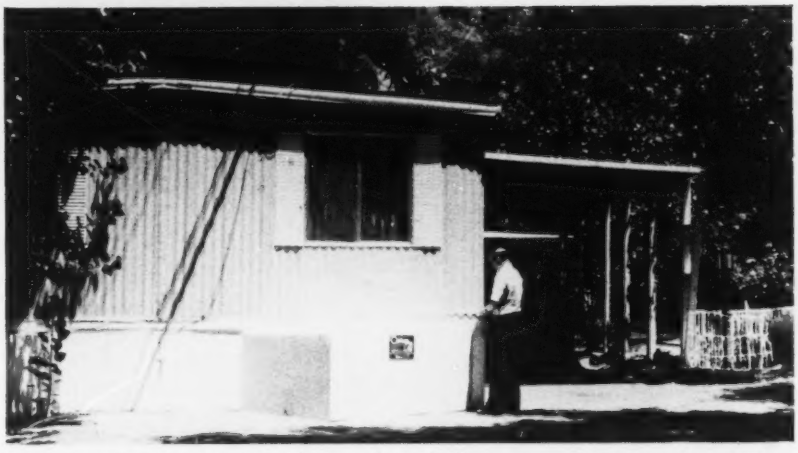
Unlike other tax programs which involve persons engaged in business, use tax administration requires contact with many who are not in business.

Approximately 10 percent of California residents are affected by this program each year.

Revenue from use tax on vehicles, vessels, and aircraft decreased by 2.8 percent during this fiscal year, as reported in the following table:

USE TAX ACTIVITIES

Fiscal Year	*Vehicles*	*Vessels*	*Aircraft*	*Transit District*	*Totals*
1975–76	72,045,076	8,771,692	2,829,812	148,682	83,795,262
1976–77	95,507,692	9,932,735	3,581,709	209,438	109,231,574
1977–78	129,635,857	10,754,361	3,998,632	337,027	144,725,877
1978–79	151,930,612	11,650,518	4,120,097	320,706	168,021,933
1979–80	147,934,047	11,388,971	3,644,183	303,886	163,271,087
% change 79–80 cf. 78–79	-2.6%	-2.2%	-11.6%	-5.2%	-2.8%



Tax Representative David Burdick of the Merced Branch office measures the skirtings of a mobilehome in Yosemite National Park. This and other information will be used to determine the validity of requests for the refund of sales tax on exempt items.

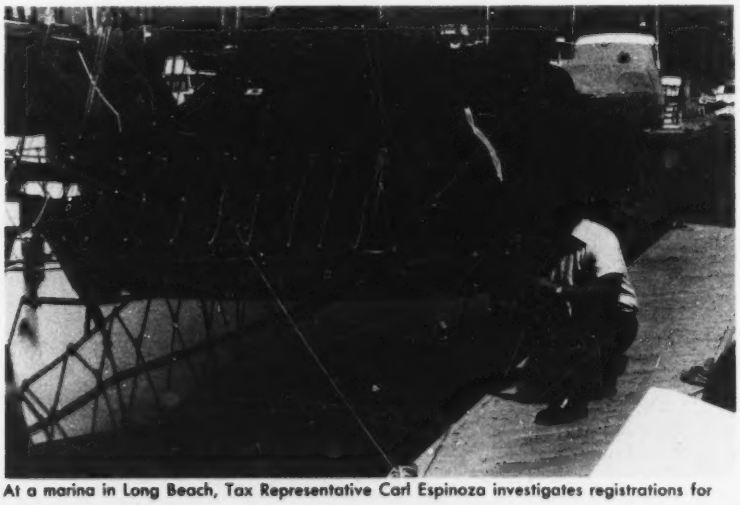
Sales and Use Tax Law

For the privilege of selling tangible personal property at retail, a sales tax is imposed upon all retailers at the rate of 6 percent. Both state (4.75 percent) and state-administered local (1.25 percent) taxes are included in this rate. In three transit districts an additional one-half of 1 percent is in effect. Use tax is the same rate as sales tax and is imposed upon the storage, use, or other consumption in California of tangible personal property purchased from a retailer and not subject to sales tax.

Though most retail sales and leases of tangible personal property are subject to sales tax, there are a number of exemptions, such as sales of food for human consumption; prescription drugs; and gas, electricity, and water delivered through mains, lines, or pipes.

Persons in the business of selling tangible personal property subject to the sales tax must apply to the Board for a seller's permit. Wholesalers as well as retailers are included. No fee is necessary, but the applicant may be required to furnish security to assure payment of the tax. The permit is valid unless suspended or revoked by the Board and it need not be renewed. A separate permit is required for each place of business.

Most permit holders file tax returns on a quarterly basis. In some cases, the Board allows taxpayers to file monthly or annually rather than quarterly. Tax return forms are furnished by the Board and must be filed with remittance of the amount due on or before the last day of the month following each reporting period. In 1979–80, state sales and use tax collected totaled $6,658,425,000.



At a marina in Long Beach, Tax Representative Carl Espinoza investigates registrations for possible use tax liability.

Local Sales and Use Taxes

Under provisions of the Bradley-Burns Uniform Local Sales and Use Tax Law, California counties can impose a 1.25 percent sales tax and use tax and cities a 1 percent tax. City tax is credited against county tax so that the combined rate does not exceed 1.25 percent. Each county and city is required to contract with the State Board of Equalization to administer the ordinance imposing the tax. All 58 counties and all cities have adopted the appropriate ordinances. In the 1979–80 fiscal year, local sales and use tax ordinances administered by the Board produced $1,729,-122,000 in local tax revenues.

During the 24 years since enactment, one of the most important functions performed by the Board in the administration of the Bradley-Burns Law has been the allocation and distribution of funds to the proper local jurisdiction. To distribute funds as soon as possible, the Board sends advance payments each month based on estimates computed by Board staff on the basis of past receipts, and a cleanup payment is made following the tabulation of quarterly returns so that each city and county receives the exact amount of allocated funds to which it is entitled.

As part of the Board's program to administer the Bradley-Burns Law, certain services are provided to local jurisdiction tax officials. Among these, records are available for examination to ascertain the accuracy of revenues distributed by the Board and to verify the coding of taxpayers to the proper jurisdiction based on their geographic location.

Transit District Transactions (Sales) and Use Taxes

This law authorizes transit districts to impose a transactions (sales) and use tax at the rate of one-half of 1 percent of the selling price of tangible personal property sold at retail in the district, or purchased outside the district for use within the district (unless the sale is subject to a transactions (sales) and use tax at the place of purchase). Each transit district desiring to have a transactions (sales) and use tax must contract with the Board to administer the Transactions and Use Tax Law.

The San Francisco Bay Area Rapid Transit District (BART), the Santa Clara County Transit District (SCCT), and the Santa Cruz Metropolitan Transit District (SCMT) currently impose transactions and use taxes. In 1979–80, the Bay Area Rapid Transit District received $70,836,000, the Santa Clara County Transit District received $40,702,000, and the Santa Cruz Metropolitan Transit District received $4,190,-000.

In the Downey office, Office Assistant Rosemarie Munoz (right) oversees Program Technician Cathy Torres as she rings up a cash receipt.

Use Fuel Tax

An excise tax at the rate of 7 cents per gallon of diesel and similar fuels, 6 cents per gallon of liquified petroleum gas and natural gas, and 7 cents per 100 cubic feet of compressed natural gas is imposed upon the use of fuel in motor vehicles. "Fuel" includes any combustible gas or liquid used to generate power in an internal combustion engine except fuels taxed under the Motor Vehicle Fuel License Tax Law (primarily gasoline). "Use" includes consuming fuel to propel a motor vehicle and the placing of fuel into the tank of a motor vehicle.

A person who sells fuel and places it into the fuel tank of a motor vehicle is a "vendor" and must collect tax from the user. Every vendor and user, except a person whose fuel is purchased tax paid from a vendor and used in a privately operated passenger vehicle, must obtain a permit from the Board and deposit required security.

The operator of a vehicle propelled by a system using liquified petroleum gas, liquid natural gas, or compressed natural gas may pay an annual flat rate fuel tax rather than a per gallon rate.

Use fuel taxes and fees for 1979–80 totaled $880,952,000. There were 47,834 Use Fuel and 2,277 Vendor of Use Fuel permits in force as of June 30, 1980.

Program Technician Linda Hill completes a seller's permit application for a taxpayer at the Sonora Branch office.

Motor Vehicle Fuel License Tax

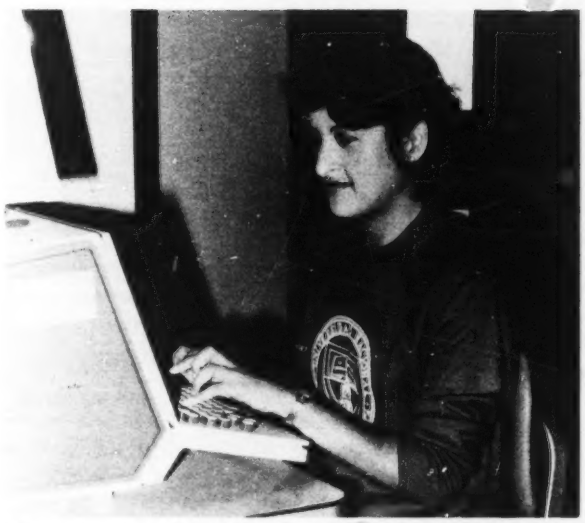
Every person dealing in motor vehicle fuel (gasoline) in quantities of 200 gallons or more is required to be licensed by the Board as a motor vehicle fuel distributor or broker. The tax is imposed at the rate of 7 cents per gallon on the first distribution of fuel in this state. Distributions to the United States Armed Forces for use in ships or aircraft, fuel exported from California, and fuel used by a distributor for nonhighway purposes are exempt from this tax.

The total tax collected for the fiscal year 1979–80 amounted to $801,000,000 on distributions of 11.3 billion gallons, a decrease of 5.0 percent from 1978–79. This decrease represents a reduction of $35,862,000 in tax revenue to the state.

The gasoline shortage experienced in the last year and one-half may have started a revolution in the gasoline industry. Public interest in the development of alternative fuels has increased dramatically. Some service stations are now selling gasohol, a mixture of gasoline and alcohol. There have been numerous requests for permission to operate stills in California for producing alcohol to be used in vehicles on an experimental basis. Currently, the price of gasohol is equal to or greater than the general price of gasoline, but as gasoline prices rise, gasohol may become one of the more popular fuels of the future.

Another effect of the rising prices of gasoline has been the need to convert gasoline pumps to register prices which exceed 99.9 cents a gallon. Since converting gasoline pumps to compute prices over $1 is more costly than converting a pump to the metric system, a major conversion of gasoline pumps to the metric system is expected. In anticipation of conversion to the metric system, the Board adopted a new regulation in April 1980 which provides a factor to convert liters to gallons for reporting purposes.

In the Excise Tax Unit, Office Assistant Deanna Thomas and Account Clerk Judy Lewis compare information in the registration card file with applications submitted by motor vehicle fuel distributors.



Office Assistant Guisell Garcia uses the video terminal in the San Francisco District office to get current information on a business tax account.

The Board of Equalization and the State Controller share responsibility for administering the Motor Vehicle Fuel License Tax. The duties of the Board include registration, maintaining security requirements, compliance, auditing, and assessment. Collections, refunds relating to exempt uses of fuel, and disbursement of funds are the Controller's functions. During the 1979–80 fiscal year, the Controller refunded $23,875,000 in tax to consumers for exempt off-highway uses of fuel.

Revenue from this tax is transferred to the state transportation fund for use in building and maintaining state highways, county roads, and major streets. In addition, all revenue attributable to the distribution of motor vehicle fuel for use or used in propelling aircraft in the state is available for the California aid to airports program. Funds attributable to taxes imposed on fuel used in propelling vessels are transferred to the harbors and watercraft revolving fund, and the estimated tax on fuel used in off-highway agricultural operations is transferred to the Department of Agriculture fund.

Aircraft Jet Fuel Tax

Aircraft jet fuel is taxed at the rate of 2 cents per gallon. Air common carriers, persons engaged in constructing or repairing aircraft, and the United States Armed Forces are exempt from this tax.

Jet Fuel Tax collections in fiscal 1979–80 totaled $988,000 on distributions of 50.2 million gallons. This tax is deposited in the aeronautics fund.

Alcoholic Beverage Tax

The Alcoholic Beverage Tax is imposed on the sale of alcoholic beverages by manufacturers, distillers, winegrowers, wholesalers, rectifiers, importers, and others selling such beverages on which no tax has been paid. The tax rates vary from $4 per gallon on distilled spirits over 100 proof down to 1 cent per gallon on wine of 14 percent or less alcoholic content. The excise tax on distilled spirits of 100 proof or less at $2 per gallon yields the most alcoholic beverage tax revenue. Other tax rates are 4 cents per gallon for beer, 2 cents per gallon for wine over 14 percent alcohol, and 30 cents per gallon for sparkling wine.

As of April 1, 1980, retailers may file claims for refunds of alcoholic beverage taxes paid on beverages which were lost, rendered unmarketable, or damaged by fire, flood, earthquake or other disaster. The amount to be refunded as the result of a single disaster or other loss must be at least $250. Refunds will not be approved if the claimant is compensated by insurance or otherwise for the amount of the tax included in the purchase price of the beverages. No interest will be paid on the refunds.

In the Excise Tax Unit, Office Technician Michael Anglin (right), Senior Account Clerk Eileen Chally, and Tax Auditor James Van Gundy compare a computer listing of liquor shipments to the original documents.

Sales of beer to the military became taxable as of January 1, 1980. Previously, sales of beer to the United States Armed Forces were exempt. The exemption was actually repealed by a statute enacted in 1976 which provided that the exemption would automatically expire as of January 1, 1980 if the Legislature did not take action to extend it. Since the Legislature did not extend the exemption, sales of beer to the military became subject to the 4 cents per gallon alcoholic beverage tax as of January 1, 1980.

The Board collected $138,940,000 in alcoholic beverage taxes during 1979–80, a decrease of 0.8 percent over 1978–79. This revenue included $112,757,000 from the sale of distilled spirits, $213,199,000 from the sale of beer, and $2,984,000 from the sale of wine.

Cigarette Tax

The Cigarette Tax is collected by the Board at the distributor level through sales of tax stamps and meter impressions which are affixed to each package of cigarettes sold to other than licensed distributors. Tax is applied at 10 cents per package of 20 cigarettes and produced $290,043,000 in revenue during 1979–80 fiscal year.

Effective with the fiscal year 1979–80, the method of computing revenue was changed to include all accounts receivable items. As a result of this modification in computing revenue, the amount of revenue shown for 1979–80 is significantly higher than that of 1978–79. An analysis of the difference between the adjusted revenues for 1978–79 and 1979–80 indicate an increase of 1.2 percent over 1978–79.

During 1979–80, the number of Indians and Indian tribes selling cigarettes on Indian land without payment of the Cigarette Tax increased substantially. The Indians claim the state has no authority or jurisdiction to require them to collect the tax on sales to non-Indians. The question of whether the Board can enforce the Cigarette Tax Law against Indian tribes

Tax Representative Joe Cowan deposits a cigarette wrapper in a receptacle at the West Los Angeles Office. The wrappers are subjected to laboratory examination as part of the Board's continuing effort to deter the counterfeiting of cigarette stamps.

is being litigated. However, the Board is continuing to issue tax determinations to individual Indians selling cigarettes on Indian reservations.

The total tax loss for 1979–80 is estimated at over $1 million for sales of unstamped cigarettes by Indian tribes and individual Indian sellers.

The revenue derived from the Cigarette Tax is deposited in the state treasury to the credit of the Cigarette Tax fund. Thirty percent of the revenue, less the cost of administration, is returned to local governments. Distribution is by a formula based on local distributions of state-administered local sales and use taxes. During the last fiscal year, the local government share totaled $81,616,000.

Insurance Tax

Administration of the Insurance Tax requires coordination among three state agencies. The Department of Insurance regulates insurers and determines the correct amount of tax. The State Controller collects the tax. The Board of Equalization, upon recommendation from the Department of Insurance, issues tax assessments. The Board also considers petitions for redetermination and claims for refund, and grants oral hearings to petitioners.

Insurance companies, with limited exceptions, pay a tax at the rate of 2.35 percent of gross premiums received on business done in California. Life insurers pay a tax of 1 percent on premiums from annuities and profit sharing plans qualified by the Internal Revenue Code.

The following table summarizes assessments by type of insurer for the last four years:

INITIAL INSURANCE TAX ASSESSMENTS
(In Thousands)

Type of Insurer	*1979*	*1978*	*1977*	*1976*	*Percent Change 78 to 1979*
Fire and Casualty	$267,454	$244,852	$221,999	$176,778	9.2
Life	151,838	141,990	130,261	114,975	6.9
Title	7,702	7,059	6,583	5,064	9.1
Ocean Marine	100	144	75	37	−30.5
TOTAL	$427,094	$394,045	$358,918	$296,854	+8.4

At the Sacramento District office, Office Assistant Yvonne Hendon receives a printout of the delinquency list for the Woodland Branch office.

In the Excise Tax Unit, Account Clerk Karen Knowles files Insurance Tax returns.

Energy Resources Surcharge

The Energy Resources Surcharge is collected from consumers of electrical energy by 48 electric utilities operating in California and is paid to the Board each quarter. There are also 17 water districts which remit the surcharge to the Board on electrical energy purchased from the United States Government.

A surcharge rate is determined annually by the Board as required by law to produce sufficient revenue to fund expenditures from the state energy resources conservation and development special account authorized in the Governor's budget. The new rate takes effect on billings for periods starting on or after March 1 each year. After the budget is approved, the Board is required to adjust the rate for any changes made during the budget process. The adjusted rate takes effect on billings for periods starting on or after September 1. The Board may fix the rate within the limits of zero to two-tenths of a mill ($0.0002) per kilowatt hour (KWH), graduated in increments of one one-hundredth of a mill.

The surcharge rate of $0.0001 per KWH set for billing periods starting on or after March 1, 1979 was increased to $0.00015 per KWH on billing periods starting on or after September 1, 1979. The surcharge collections from these rates produced $19,022,000 for 1979–80.

The Board continued the $0.00015 per KWH rate for billing periods starting on or after March 1, 1980. The surcharge collection from this continued rate will be received in the fiscal year 1980–81.

Program Technician Elena Angeles uses the video terminal to obtain information requested by Pasadena District Administrator Sam Taylor.

In the Hollywood District office, Supervising Tax Auditor Forrest Paisley (seated) receives a stack of completed Excise Tax audits from Auditor Charles Malley.

Emergency Telephone Users Surcharge

The Emergency Telephone Users Surcharge Law was enacted in 1976 and became effective July 1, 1977. The surcharge is imposed at the rate of one-half of 1 percent on charges for intrastate telephone communication services. Every telephone service supplier is required to collect the surcharge from the telephone user at the time billings for service are collected.

The telephone surcharge was imposed to provide funds for the implementation and operation of a 911 emergency telephone assistance program. The 911 emergency system is to be installed on a gradual basis and is supposed to be fully operational on a statewide basis by December 31, 1985. Once implemented, the three-digit telephone emergency number may be dialed to obtain emergency services such as police, fire, rescue, or medical assistance.

The telephone surcharge is unique among the business taxes administered by the Board. If a telephone user refuses to pay the surcharge to the telephone company, the company simply reports that fact to the Board and has no further liability or collection responsibility. Any further enforcement action must be taken by the Board against the telephone user. Many people equate the tax with a special service charge for using the 911 service and resist paying it when the service is not available in their area or when they believe they have no need for the service. Other members of the public have refused to pay the surcharge on the basis that it violates their right to freedom of speech. Approximately 200 telephone users refuse each quarter to pay the surcharge.

As part of its enforcement program, the Board sends a notice to each user explaining that the surcharge must be paid directly to the Board if it is not paid to the telephone company. If the surcharge is not paid in response to the notice, a determination for the surcharge and a minimum $10 penalty is sent to the user. If the determination is not paid or a petition for redetermination is not filed within 30 days, an additional minimum penalty of $10 is added and the total is subject to normal collection procedures. During 1979–80 566 determinations and demands were issued amounting to $143 in tax and $5,660 in penalties. The primary purpose of this enforcement program is not to collect the relatively small amount of revenue involved, but to protect the balance of the tax base and the integrity of the state tax structure.

During fiscal 1979–80, total surcharge collections were $15,142,000, an increase of $1,073,000 over the $14,069,000 collected for the prior fiscal year.

Auditor Hung Nguyen asks a question of Auditor Marie Toohig in the San Mateo office.

Auditors Rey Obligacion (seated), Bruce Henline (center), and Bill Dunn of the Audit Evaluation and Planning Unit analyze the impact of pending legislation on business tax laws.

Business Taxes Legislation

Following is a brief summary of the bills passed by the Legislature during the first half of the 1979–80 legislative session which are of significance to the Board's business taxes operations.

Assembly Bill 66—Chapter 1150—September 29, 1979

Repealed the Litter Control, Recycling and Resource Recovery Assessment effective September 29, 1979, and provides for refunds by the Board of assessments previously paid.

Repealed the sales and use tax exemptions for gold bullion, concentrates, or precipitates, silver bullion, ice or dry ice used in shipping food products, and certain waterproof cargo containers as provided by Sections 6354, 6359.5, 6383, and 6395 of the Revenue and Taxation Code. The repeal of these sections was operative July 1, 1980.

Amended Section 23182 of the Revenue and Taxation Code to subject banks and financial corporations to the sales and use taxes, state emergency telephone users surcharge, state energy resources surcharge, and local utility user taxes. The changes with respect to sales and use taxes become effective with the income years of the banks which begin on and after January 1, 1980, and the remaining changes are effective with the income years of the banks beginning on and after January 1, 1981.

Assembly Bill 547—Chapter 765—September 19, 1979

Amended Section 6370 of the Revenue and Taxation Code to provide that specified nonprofit associations commonly called Friends of the Library and equivalent organizations performing the same type of service for certain public libraries are, for purposes of the Sales and Use Tax Law, consumers rather than retailers of tangible personal property sold by them, provided the profits from the sales are used exclusively in furtherance of the purposes of the organization.

Assembly Bill 887—Chapter 1160—January 1, 1980

Added Section 6012.8 to the Revenue and Taxation Code to amend the definition of the terms "gross receipts" and "sales price" as applied to sales or storage, use or other consumption of new mobile homes sold after the effective date of this bill which are to be permanently installed on a foundation system upon land owned by the mobile home owner and will be occupied as a residence.

For the period January 1, 1980 through June 30, 1980, tax applies to 40 percent of the sales price to the consumer. On and after July 1, 1980, tax applies to 75 percent of the sales price to the retailer, who will be defined as the consumer for sales and use tax purposes, as amended by Senate Bill 1422, Chapter 285. Subsequent sales of these mobile homes will be exempt from sales or use tax. Such mobile homes will become subject to local property taxation and transfers of ownership will be subject to the local documentary transfer tax. Further exclusions are provided by Senate Bill 1004 (Chapter 1180).

Assembly Bill 1019—Chapter 1161—September 29, 1979

Added Sections 6092.1 and 6243.1 to the Revenue and Taxation Code to provide that a person who leases mobile transportation equipment, who cannot otherwise properly issue a resale certificate, may issue such a certificate for the limited purpose of reporting his use tax liability based on fair rental value. This will give nondealer lessors of mobile transportation equipment the same reporting options as dealer lessors.

Amended Sections 6368 and 6368.1 of the Revenue and Taxation Code to limit the watercraft exemption for commercial deep sea fishing to persons who are regularly engaged in commercial deep sea fishing operations. The bill adds a rebuttable presumption that a person is not engaged in the business of commercial deep sea fishing if the person earns less than $5,000 a year in gross receipts from commercial fishing operations.

Assembly Bill 1334—Chapter 633—January 1, 1980

Added Section 32407 to the Revenue and Taxation Code to provide refunds without interest of alcoholic beverage excise taxes to the licensee if such taxes were paid as part of the purchase price of alcoholic beverages which were subsequently lost, rendered unmarketable, or condemned because of disaster or vandalism. Requires, however, that the licensee may not be otherwise compensated for the excise tax portion of the loss, that the claim be at least $250, and that satisfactory proof of damage be presented to the State Board of Equalization for its approval.

Assembly Bill 1448—Chapter 561—January 1, 1980

Under existing law, with certain exceptions, persons engaged in the business of leasing or renting automobiles and selling previously leased vehicles are required to be licensed by the Department of Motor Vehicles as "lessor-retailers". This measure expanded the exceptions to include a lessor or renter who sells a previously leased or rented vehicle to a person who, for a period of at least one year, has been designated by the lessee as the driver of the vehicle covered by a written lease agreement.

Assembly Bill 1497—Chapter 1048—September 26, 1979

Amended Section 6363.6 of the Revenue and Taxation Code to exempt from sales or use tax the gross receipts from the sale of, and the storage, use, or other consumption in this state of meals and food products served to and consumed by residents or patients of any house or institution supplying room and board for a flat monthly rate and serving as a principal residence exclusively for persons 62 years of age or older.

Senate Bill 243—Chapter 125—June 20, 1979

Added Section 6381.5 to the Revenue and Taxation Code, which provides a sales and use tax exemption with a grandfather clause for certain leases of tangible personal property to the United States Government pursuant to certain fixed price contracts in existence on September 26, 1978.

Senate Bill 287—Chapter 260—July 17, 1979

Amended Section 6365 of the Revenue and Taxation Code to provide a sales and use tax exemption for works of art which become part of a permanent collection of a nonprofit corporation which has qualified for exemption pursuant to Revenue and Taxation Code Section 23701(d).

Added Section 6814 to the Revenue and Taxation Code to provide a person who acquires an existing business with a statutory procedural remedy for contesting a liability asserted against him for a predecessor's sales and use tax obligations.

Amended Section 8732 of the Revenue and Taxation Code to provide that when fuel is sold through a keylock mechanism, there is a presumption that the vendor delivered the fuel into the fuel tank of a motor vehicle, and the vendor is required to collect the use fuel tax. This presumption may be rebutted if the vendor receives a certificate attesting otherwise from the purchaser.

Amended Section 8995 of the Revenue and Taxation Code to provide that a use fuel clearance certificate is not required to be obtained from the Board of Equalization in order to transfer ownership of a passenger vehicle.

Senate Bill 395—Chapter 400—January 1, 1980

Amended Section 6385 of the Revenue and Taxation Code to exempt from sales tax gross receipts from sales of tangible personal property, other than aircraft fuel and petroleum products, to a foreign air carrier when the property is transported by the foreign air carrier to a foreign destination for use by the air carrier in the conduct of its business as a common carrier. Specifies the documentation to be maintained by the vendor and foreign air carrier and establishes that the transactions are subject to tax when the provisions of this section are not met.

Senate Bill 419—Chapter 712—September 18, 1979

Deleted the January 1, 1980 expiration date of the Cigarette Tax exemption for cigarette sales to certain military exchanges, commissaries, ships' stores, and the Veterans Administration, and provides instead that the exemption shall remain in effect until the existing federal law is amended by Congress to permit state taxation of sales of cigarettes by or through federal military installations.

Senate Bill 886—Chapter 863—January 1, 1980

Added Sections 6012.2 and 6276.1 to the Revenue and Taxation Code which state specifically that "gross receipts" and "sales price" with respect to the sale or storage, use, or other consumption in this state of a used mobile home, for sales and use tax purposes, shall exclude the separately stated value of in-place location, awning, skirting, carport, patio, landscaping, shrubs, unattached furnishings, or other items not part of the mobile home as a vehicle. This exclusion shall apply when a registered or legal owner sells a used mobile home through a licensed real estate broker or a licensed dealer and not on the dealer's own account.

These new sections also provide that separately stated escrow fees on the sale or purchase of a new or used mobile home shall be excluded from the terms "gross receipts" and "sales price" for sales and use tax purposes.

Senate Bill 1004—Chapter 1180—January 1, 1980

Added Section 6012.9 to the Revenue and Taxation Code to define "gross receipts" from the sale of a mobile home, and the "sales price" of a mobile home sold or stored, used, or otherwise consumed in this state to be 75 percent of the sales price of the mobile home to the retailer, if such mobile home is sold by the retailer, and is thereafter subject to property taxation, as amended by Senate Bill 1422, Chapter 285. The retailer will be considered to be the consumer for sales and use tax purposes. The section provides for tax application on the purchaser if he uses the mobile home for a purpose other than as specified.

The bill also provides an exemption from sales and use taxes for the subsequent sale of a mobile home which qualified for the exclusion described above on the initial sale.

Senate Bill 1180—Chapter 906—September 22, 1979

Continues the Emergency Telephone Users Surcharge at the rate of one-half of 1 percent until November 1, 1982 and thereafter at a rate to be fixed by the Board but not to exceed three-quarters of 1 percent.

VII. TAX LITIGATION

PROPERTY TAXES

The Municipal Improvement Act Of 1913 And The Improvement Act Of 1911 Are Excluded From The Limitations Of California Constitution, Article XIIIA.

The county initiated assessment proceedings under Streets and Highways Code, Section 10000 et seq., and intended to issue assessment bonds pursuant to Section 5000 et seq. However, the county treasurer and tax collector refused to serve the notice of assessment or to collect the assessment contending that the assessment in question would result in a levy of over one percent on the property in the district in contravention of Article XIIIA, Section 1, and that it constitutes a "special tax" that has not been approved by a two-thirds vote of the qualified electors of the district as required by Section 4.

A writ commanding the notice and collection of the assessment was issued by the Court of Appeal. It was held that the special assessments of the Acts of 1911 and 1913 in question are for improvements that benefit particular property which are secured by the property itself and not subject to general ad valorem funds; therefore, these assessments are not of the ad valorem type that are subject to the one percent limitation of Section 1. In regard to the elector approval requirement of Section 4, the court distinguished between a special tax and a special assessment, a charge to real property to pay for benefits that property has received and strictly speaking not a tax at all. Only a special tax is subject to the section. *County of Fresno* v. *Malmstrom,* 94 Cal. App. 3d 974 (1979).

The Possibility Of Multiple-Forum Litigation Does Not Establish An Inadequate Remedy At Law Exception To The Constitutional Prohibition Against Prepayment Tax Litigation.

Three public utility companies subject to property tax assessment by the State Board of Equalization sought mandamus and declaratory relief prior to payment of the tax to compel the Board to apply the rollback provision of Proposition 13 to the 1978 assessment of utility property. The Board had refused to do so on the ground that the provision applied only to county-assessed real property.

The California Supreme Court concluded that the utilities' action was barred by the procedural prohibition of Section 32, Article XIII, California Constitution. This section states that, "No legal or equitable process shall issue in any proceeding in any court against this state or any officer thereof to prevent or enjoin the collection of any tax". The court held that Section 32 means what it says and there is no exception on the ground that suits for refund may be required to be brought in multiple counties. *Pacific Gas & Electric Co.* v. *State Board of Equalization,* 27 Cal. 3d 277 (1980).

As A Matter Of Law, An Assessment In Excess Of Reproduction Cost New Less Depreciation (RCNLD) Is Not Necessarily Arbitrary, In Excess Of Discretion, Or In Violation Of Standards Prescribed By Law.

Taxpayer, a public utility, brought suit on denial of a claim for refund against the State Board of Equalization on the ground that its unitary property was being over-valued by the Board. The valuation and assessment relied on the income approach which for the years in question exceeded the other indicators of value. Taxpayer contended that as a matter of law any value in excess of reproduction cost new less depreciation would be due to intangibles such as the corporate franchise and thus not subject to taxation.

The Court of Appeal rejected taxpayer's contention and upheld the assessment of the State Board. The court noted that RCNLD is normally a ceiling on value in a free and competitive market but it additionally noted other market situations where RCNLD was not a ceiling. It cannot be said that, as an absolute rule of appraisal practice, and as an intrinsic attribute of tangible property, RCNLD is a ceiling on value. Thus, it cannot be said that, as a matter of law, an assessment in excess of RCNLD is necessarily arbitrary, in excess of discretion, or in violation of standards prescribed by law. *ITT World Communications, Inc.* v. *County of Santa Clara,* 101 Cal. App. 3d 246 (1980).

The Exemption Provisions Of Revenue And Taxation Code Section 209.5 Are Not Restricted Solely To Vessels To Be Used In The Transportation Of Freight Or Passengers.

The builder of two semisubmersible offshore drilling vessels brought a suit for refund challenging the denial of its claim for an exemption from property taxation (for vessels of more than 50 tons burden while under construction) pursuant to Section 209.5.

The county had denied the claim on the ground that only vessels to be used for the transportation of freight or passengers qualified for the exemption.

The Court of Appeal held for the taxpayer. It concluded that Section 209.5 provides a separate form of relief for the shipbuilding industry which was enacted under the express authority of California Constitution, Article XIII, Section 2. This exemption is independent of and does not incorporate the transportation requirements of California Constitution, Article XIII, Section 3(b) and Revenue and Taxation Code, Section 209. *Kaiser Steel Corp.* v. *County of Solano,* 90 Cal. App. 3d 662 (1979).

Market Data Is Limited To The Location Of The Property, The Date Of The Sale, And The Consideration Paid And It Does Not Include Matters Which Constitute The Business Affairs Of The Taxpayer.

Prior to the acquisition of a petroleum company, plaintiff prepared a complex appraisal of the future net income stream derivable from the oil and gas producing properties. Pursuant to his power to require a taxpayer to provide details of property transactions, the assessor obtained a copy of plaintiff's appraisal. Subsequently a competitor filed an application for a reduction of the assessment of one of its properties and in defense of his assessment, the assessor proposed to use plaintiff's appraisal as evidence of a comparable property under the market approach to value. In turn, plaintiff sought an injunction to restrain the assessor from disclosing its appraisal on the ground that it contained corporate secrets.

The Court of Appeal ordered that the injunction should issue. It enumerated those items in Revenue and Taxation Code, Sections 408 and 408.1 which are properly classified as market data and which may be disclosed in an assessment appeal. Other items in the appraisal such as the amount of recoverable oil, the cost of recovery, the future price, plaintiff's after tax income and the acceptable rate of return do not constitute market data but instead are business affairs which the assessor may not disclose. *Chanslor-Western Oil & Dev. Co.* v. *Cook,* 101 Cal. App. 3d 407 (1980).

SALES AND USE TAX

Lease Tax Law Exempts Prior Leases Only If Parties Are Unconditionally Bound.

A lessor sued the Board to recover taxes paid on lease receipts from lease agreements between plaintiff and various banks and insurance companies constitutionally exempt from use tax liability during the effective period of former Revenue and Taxation Code Section 6006.3(b). The Board had construed the statute as providing for taxation of receipts of leases originally executed after the effective date and renewals of existing leases after the effective date. The Supreme Court held that the Board's construction of the statute was proper in light of the statute's language, the purpose of the Legislature, and the legislative history of the statute and related enactments. The court adopted the Board's interpretation that a renewal after August 1, 1965 of leases executed before that date subjects these leases to sales tax. The court further held that the extension of the leases by failure to exercise a power of termination rendered these leases subject to sales tax; that leases executed before August 1, 1965 for equipment installed after that date were exempt unless the rental price was altered; that leases with miscellaneous equipment changes after August 1, 1965 were exempt up to any additional rental charge attributable to the equipment change; and that leases derived from conditional orders from equipment placed before August 1, 1965, but not executed until after that date, were taxable. *International Business Machines* v. *State Board of Equalization,* 26 Cal. 3d 923 (1980).

Custom Packers Are Consumers Of Raw Materials Bought For Containers.

Plaintiffs perform custom packing including the construction from raw material of containers around goods which require special preparation prior to shipment. Plaintiffs maintain inventories of lumber, nails, strapping material, and other types of container material, which become components of the container. This container material was purchased without payment of sales tax after plaintiffs issued resale certificates to their various suppliers. Plaintiffs were not the sellers of any of the goods that were packaged and plaintiffs did not perform any of the subsequent shipment of goods. The packing and preparation was generally performed by plaintiffs at their various business locations. Thereafter, the contained goods would be delivered to a carrier for shipment pursuant to directions from plaintiffs' customers. Items packaged for shipping included delicate instruments and machinery and computers, which were principally shipped in interstate or foreign commerce. The containers and packages were made for customers on an individual or job basis to hold specific goods. There was no understanding that the containers or packages would be returned to plaintiffs by plaintiffs' customers for reuse. Plaintiffs billed their customers a lump sum amount for packing and containing and did not make a "separate charge" for the container material. Although each transaction was based on an "express" contract agreement with the customer, there was no express

provision for the passage of title to the container material in plaintiffs' billings, invoices, or other contract writings. Most of the purchase orders received by plaintiffs were verbal. The Board assessed tax on plaintiffs' purchases of the materials on the ground that plaintiffs were not "selling" the containers to the customers but were instead providing a service of which the containers were an integral part. Thus, the plaintiffs were consumers of the materials used in constructing the containers and could not purchase the materials for resale. The Court of Appeal held that plaintiffs did not meet the conditions required for effecting a retail sale of the containers but were instead the consumers of the materials. As such, tax applied to their purchases of the materials. *Sternoff* v. *State Board of Equalization,* 103 Cal. App. 3d 828 (1980).

Taxpayer Entitled To Maintain Refund Action While Making Partial Payments Of Use Tax Liability.

A California corporation incurred a use tax liability for certain personal property purchased outside the state. Appellant corporation made two partial payments of $250 each on the tax owed and entered into an installment agreement to pay under protest the total tax liability in monthly installments of $1,000. A claim for refund was filed for the $500 actually paid and was not acted upon by the Board within six months. Appellant then filed suit while the installment agreement was in effect. The Court held that when a taxing authority voluntarily agrees to accept payment on an installment basis, and in the absence of any statutory provision to the contrary, a taxpayer may maintain a refund action which, in effect, determines the validity of the entire tax in question. *Snoozie Shavings, Inc.* v. *State Board of Equalization,* 97 Cal. App. 3d 771 (1979).

Pumping Charges Should Be Included In The Measure Of Tax.

Plaintiff was engaged in the business of manufacturing and selling ready-mix concrete under one company name and providing pumping services for placing concrete in areas difficult to reach under another company name. Its customers could buy the concrete separately, engage only the pumping services, or could order both the concrete and the placement thereof. The sale of the concrete and pumping services was a single transaction using two invoices. No written agreement existed between the plaintiff and the customer, and no explicit agreement existed between them as to when title to the concrete passes to the customer. During the course of an audit by the Board, it was concluded that tax for pumping services had been improperly excluded from the measure of sales tax. Following a hearing with the Board, plaintiff paid the tax and filed a claim for refund which was denied. The court concluded that the plaintiff's pumping operation was a transportation function which occurred before the sale of the concrete was completed and therefore the pumping charges should properly have been included in the measure of tax. *Tobi Transport, Inc.* v. *State Board of Equalization,* 104 Cal. App. 3d 730 (1980).

PERSONAL INCOME TAX

Residence, Not Domicile, Is Controlling For Imposition Of State Income Taxes.

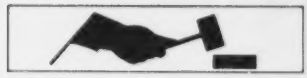
Taxpayer was born and raised in the State of Washington and was continuously employed as an engineer by the federal government from 1957 to the present in California. He was always subject to transfer by his employer to any place in the United States. His domicile remained in Washington. Plaintiff sought by declaratory relief action a determination that he had not been a resident of California during the years 1965–1976 for purposes of the income tax laws of California, and sought tax refunds for certain of those years. A trial without jury resulted in a judgment in favor of the Franchise Tax Board.

The Court of Appeal affirmed, holding that for income tax purposes, a taxpayer's domicile in another state is of no consequence. The controlling status is residence, a resident being one who is in California for other than a temporary or transitory purpose. (Revenue and Taxation Code, Section 17014.) A federal employee who was domiciled in the State of Washington but lived and worked in California during the taxable years in question was, at least presumptively, a resident of California. (*Dave Peringer* v. *Franchise Tax Board,* 105 Cal. App. 3d 514 (1980).)

BANK AND CORPORATION TAXES

Capital Gains Received By Times In Sale Of Stock Was Business Income.

Taxpayer sold the stock of a subsidiary, and reported the capital gains acquired therefrom as "business income" as defined by the Division of Income for Tax Purposes Act (Revenue and Taxation Code Sections 25120–25139). Under this characterization, such income is apportioned by formula among the various states in which the taxpayer's income was taxable, resulting in a lesser tax due in this state. The Franchise Tax Board disagreed, concluding that the income was "nonbusiness income" and, thus, fully taxable by California. The case was tried on stipulat-



ed facts and judgment was entered in favor of the Franchise Tax Board.

The Court of Appeal reversed, noting that under the stipulation of the parties, augmented by an affidavit of the taxpayer's vice-president, the facts to which the parties agreed precisely met the statutory definition of "business income" in Revenue and Taxation Code Section 25120, subdivision (a). Since the Franchise Tax Board entered into the stipulation knowingly and deliberately, and not as a result of overreaching or mistake, it was bound by the facts to which it stipulated. (*Times Mirror Company* v. *Franchise Tax Board,* 102 Cal. App. 3d 872 (1980).)

State Taxpayer Must Apportion Part Of Sales Made Out-Of-State On Income Tax.

Taxpayer, a New Jersey corporation, manufactured and sold pharmaceuticals and other items throughout the United States. Its manufacturing and distribution centers in California shipped products to customers in the western states as well as to customers in California. Under a provision of the Uniform Division of Income for Tax Purposes Act (Revenue and Taxation Code Section 25135, subd. (b) (2)), California is allowed to measure its franchise tax by attributing sales to California if the sales property is shipped to a state in which the taxpayer is not taxable. Taxpayer argued that the statute and its application violated the constitutional provisions prohibiting extraterritorial taxation. The trial court entered judgment on the pleadings in favor of the Franchise Tax Board.

The Court of Appeal affirmed, holding that if a state in which products are delivered has not provided benefits sufficient to entitle it to tax any portion of the business income, then it is proper to attribute the production of income from those sales entirely to the state which has provided protection opportunities and benefits to the business throughout the manufacturing process up to the point of shipment to the purchaser. (*Hoffman-LaRoche, Inc.* v. *Franchise Tax Board,* 101 Cal. App. 3d 691 (1980).)

INSURANCE TAX

An Insurer's Occupation Of Two Small Rooms In A Huge Complex Which It Owned, Entitled It To Principal Office Deductions Claimed With Respect To Real Estate Taxes Paid On The Entire Complex.

During the years in question, taxpayer owned a huge office/warehouse complex in Buena Vista, California. With the exception of two small rooms which the taxpayer retained, the entire complex was leased to taxpayer's parent corporation. Taxpayer claimed principal office deductions with respect to real estate taxes paid for the complex. This deduction had the effect of totally offsetting taxpayer's gross premiums tax liability for the years in litigation. The Board denied the claimed principal office deductions on grounds that the two small rooms were not the insurer's principal office and that to permit the claimed deductions was not within the spirit of the deduction as contained in the Constitution and Revenue and Taxation Code. The Court of Appeal disagreed and concluded, in effect, that since the Buena Vista complex was the only "office" owned by taxpayer in California, it was its principal office in California for purposes of the principal office deduction. *J. C. Penney Insurance Company* v. *State Board of Equalization,* 94 Cal. App. 3d 685 (1979).

PICTURE THE STAFF

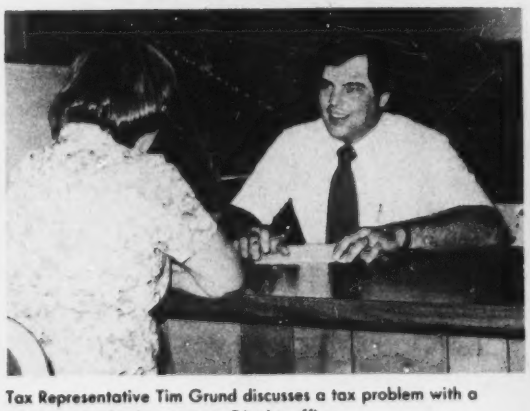
Board of Equalization employees at work.

San Francisco Audit Crew Chief Dave Chan hits the law books in the course of a difficult audit.

Business Taxes Compliance Supervisor Chuck Engstrom and Office Assistant Linda Molica look over the Franchise Tax Board forms which the Marysville office makes available to the public every year.

Auditors Varla Newbury and Michael Conkey pause outside the State Building in Santa Ana on their way to an audit.

Secretary Ruby Elliott receives a printout of the payment file for the Hollywood District office.



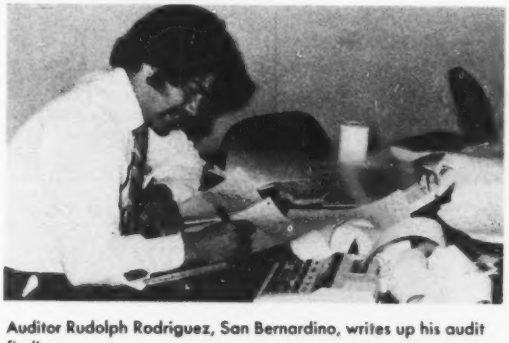
Tax Representative Tim Grund discusses a tax problem with a taxpayer in the Sacramento District office.

Program Technician Leila Christie opens the safe in the Ontario branch office to begin the morning's business.

Mary Ann Fiorino, Sacramento District cashier, notes the receipt of a tax return and payment.

Tax Representative Dave Freitas (right) gathers closeout information from a Sacramento taxpayer.

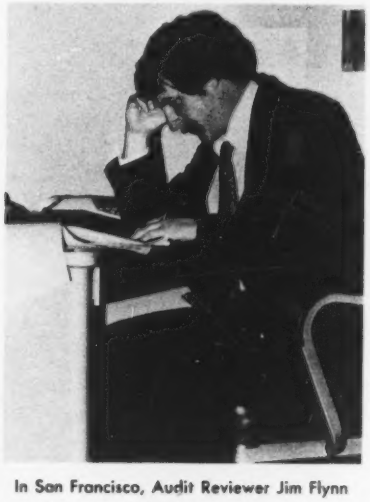
In Sacramento, Office Technician uses the video terminal to obtain payment information necessary to process the closeout documents for an account.



Auditor Rudolph Rodriguez, San Bernardino, writes up his audit findings.

Tax Representative Russell Stull completes his "inside" collection assignments with the help of the telephone.

San Francisco's Principal Compliance Supervisor John Kontillis orients new Secretary Kathleen Hill.



In San Francisco, Audit Reviewer Jim Flynn ponders the findings.

Tax Representative Dennis Maciel, Sacramento, handles a collection problem by phone.

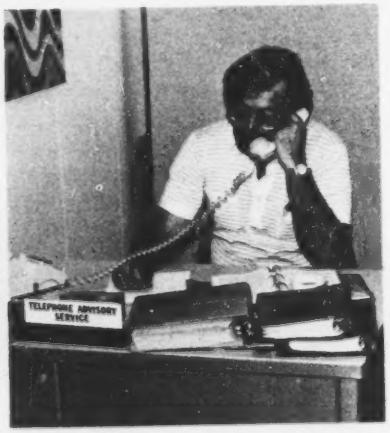
Tax Representative Dorothy Germaine checks the Ontario map before setting out on a field assignment.

In the San Francisco District office, Auditors Alexis Viripaeff (standing) and Norm Del Prado consult the books on a tough audit question.

Auditor Cora Pascual writes up an audit in the San Mateo office.

Office Assistant Elana Robinson operates the postage meter in the Inglewood District office mail room.

Marysville Subdistrict Administrator Wes Finley turns to the video for the information needed to resolve a compliance problem.



Auditor Jim Loman answers a taxpayer's question at the San Mateo office's information desk.

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STATISTICAL APPENDIX

ANNUAL REPORT 1979-1980

CALIFORNIA STATE BOARD OF EQUALIZATION

WHERE TO FIND IT

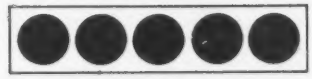
	Page	
ADMINISTRATION	A-1	
PROPERTY TAX DATA	A-4	
SALES AND USE TAXES	A-24	
HIGHWAY TAXES		
Gasoline	A-32	
Diesel and Other Fuels	A-34	
ALCOHOLIC BEVERAGE AND CIGARETTE TAXES		
Alcoholic Beverages	A-35	
Cigarettes	A-38	
INSURANCE TAX	A-39	

TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1979 to June 30, 1980

Function	Expenditures	
	1978–79	1979–80
1	2	3
Personal services	$52,110,249	$60,524,318
Operating expenses and equipment:		
General expense	4,765,682	5,311,689
Printing	792,505	860,936
Communications	1,623,350	1,592,955
Travel—in-state	1,692,639	1,675,599
Travel—out-of-state	568,823	701,321
Data processing—equipment rentals	1,043,425	1,119,693
Facilities—operation	2,641,480	2,967,833
Equipment	199,845	287,140
Prorated charges	80,191	138,464
Totals, operating expenses and equipment	13,407,940	14,655,630
Totals, expenditures	$65,518,189	$75,179,948
Reimbursements	−14,452,859	−20,783,579
Net expenditures	$51,065,330	$54,396,369

TABLE 2—SUMMARY OF REVENUES FROM ASSESSMENTS MADE BY THE BOARD, BY FISCAL YEAR, 1969–70 TO 1979–80

(In thousands of dollars)

Revenue source	1969–70	1974–75	1978–79	1979–80
1	2	3	4	5
Local taxes on state-assessed properties [a]	$456,819	$528,583	$326,167	$342,316
Private car taxes [a]	3,739	6,964	3,325	4,504
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	625,768	709,899	835,947 [r]	800,012
Jet fuel tax	–	411	915 [r]	988
Subtotals	625,768	710,310	836,862 [r]	801,000
Use fuel tax [c]	38,578	51,490	75,187	79,923
Fees	15	19	23	29
Subtotals	38,593	51,509	75,210	79,952
Fuel total	664,361	761,819	912,072 [r]	880,952
Sales and use taxes and fees: [c]				
State taxes	1,746,690	3,372,966	5,810,484	6,658,425
City and county sales taxes	430,863	708,612	1,209,699	1,383,386
County transportation tax [d]	–	175,731	302,446	345,736
Bay Area Rapid Transit District taxes [e]	3,438	40,565	61,938	74,591
Southern California Rapid Transit District taxes [f]	–	203	212	218
Santa Clara County Transit District taxes [g]	–	–	36,506	41,880
Santa Cruz Metropolitan Transit District taxes [h]	–	–	1,391	4,489
Fees	171	231	310	365
Totals	2,181,162	4,298,308	7,422,966	8,509,090
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	16,017	19,893	25,137	26,183
Taxes on distilled spirits	89,757	100,856	114,923	112,757
Totals	105,774	120,749	140,060	138,940
Cigarette tax [c]	235,901 [i]	261,975 [i]	268,816 [i]	290,043 [i p]
Electrical Energy Tax [k]	–	1,885	18,066	19,022
Emergency Telephone Users' Surcharge [l]	–	–	14,069	15,142
Timber Yield Tax [m]	–	–	42,518	23,425
Timber Reserve Fund Tax [m]	–	–	3,244	367
Grand totals	$3,647,756	$5,980,283	$9,151,323 [j r]	$10,223,801 [j]

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include taxes on intangibles through 1967–68 and ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed or on gross receipts of for-hire carriers. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] This one-fourth of one percent tax became effective July 1, 1972. At the same time the state sales tax rate was reduced from 4 to 3¾ percent.

[e] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $16,860,463 for 1978–79 and $20,326,210 for 1979–80, including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BART.

[f] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[g] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[h] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[i] Includes $70,762,345 in 1969–70, $78,592,358 in 1974–75, $80,645,000 in 1978–79, and $81,616,000 in 1979–80 earmarked for cities and counties.

[j] Insurance taxes amounted to $429,330,965 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[k] This tax became effective January 1, 1975.

[l] This tax became effective July 1, 1977.

[m] This tax became effective April 1, 1977, but no revenue was due until 1977–78.

[n] Includes a one-time windfall of $17,989,780 resulting from revisions in accounting procedures.

[r] Revised.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1978–79 and 1979–80

(In thousands of dollars)

Programs	Board expenditures [a]		Non-board expenditures [b]		Total costs	
	1978–79	1979–80	1978–79	1979–80	1978–79	1979–80
1	2	3	4	5	6	7
Intercounty equalization	3,198	1,789	93	106	3,291	1,895
County assessment standards	1,652	2,239	103	118	1,755	2,357
State-assessed property tax [c]	2,422	3,116	90	103	2,512	3,219
Timber tax	941	1,166	–	–	941	1,166
Sales and use tax	50,896	61,025	1,742	2,349	52,638	63,374
Litter control tax	990	250	–	–	990	250
Alcoholic beverage tax	694	780	20	26	714	806
Cigarette tax	1,219	1,196	10	13	1,229	1,209
Motor vehicle fuel license tax [d]	411	436	–	–	411	436
Use fuel tax	2,233	2,319	–	–	2,233	2,319
Emergency telephone users surcharge	50	56	–	–	50	56
Insurance tax	100	91	35	41	135	132
Appeals from other governmental programs	447	482	13	16	460	498
Electrical energy tax	39	44	–	–	39	44
Administration and support						
Distributed to other programs [e]	(4,877)	(5,948)	–	–	(4,877)	(5,948)
Non-board programs (reimbursable)	226	191	–	–	226	191
Totals, programs	65,518	75,180	2,106	2,772	67,624	77,952
Reimbursements	−19,117	−20,784	–	–	−19,117	−20,784
Net totals, programs	46,401	54,396	2,106	2,772	48,507	57,168

[a] Format conforms to Program Budget presentation.

[b] Includes a portion of the cost of operating central agencies that perform services for the Board; such as offices of the Attorney General, the State Controller, and the State Personnel Board.

[c] Includes the cost of assessing and collecting the private car tax.

[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.

[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1978–79 AND 1979–80 [a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1978–79	1979–80	1978–79	1979–80	1978–79	1979–80
1	2	3	4	5	6	7
Local taxes on state-assessed property	$329,492	$346,820	.74	.90	.76	.93
Sales and use tax	7,422,986	8,509,090	.69	.72	.71	.74
Alcoholic beverage tax	140,060	138,940	.50	.56	.51	.58
Cigarette tax	268,816	290,043	.45	.41	.46	.42
Motor vehicle fuel taxes [b]	912,072 [r]	880,952	.29	.31	.29	.31
Electrical energy tax	18,066	19,022	.22	.23	.22	.23
Emergency telephone users' surcharge	14,069	15,142	.36	.37	.36	.37
Timber tax	45,762	23,792	2.06	4.90	2.06	4.90
Totals and ratios	$9,151,323 [r]	$10,223,801	.72	.74	.74	.76

[a] Format conforms to Program Budget presentation.

[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

[r] Revised.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, ASSESSMENT RATIOS AND AVERAGE TAX RATES, 1970–71 to 1980–81 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1970–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78	1978–79	1979–80	1980–81
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	20,949	22,113	23,499	24,544	26,854	29,020	32,233	36,245	37,137	43,335	52,199
Improvements	25,415	27,327	29,594	32,095	35,641	40,232	46,476	54,149	58,316	68,106	79,430
Totals	46,364	49,440	53,093	56,639	62,495	69,252	78,709	90,394	95,453	111,441	131,629
Tangible personal property	6,371	6,723	7,115	7,867	8,964	10,590	11,816	12,531	14,481	16,834	8,430
Gross tangible property totals	52,735	56,163	60,208	64,506	71,459	79,842	90,525	102,925	109,934 [d]	128,275	140,059
Exemptions:											
Homeowners' exemption	1,910	1,955	2,051	5,738	6,008	6,352	6,552	6,787	6,938	7,006	7,169
Business inventory exemption	997	1,057	1,124	1,920	2,589	3,094	3,454	3,606	4,203	4,997	[e]
All other exemptions [b]	1,794	1,871	1,977	1,838	1,977	2,191	2,388	2,696	2,806	2,895	3,184
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	50,941	54,292	58,231	62,668	69,482	77,651	88,137	100,229	107,130 [d]	125,380	136,874
Net of all exemptions	48,034	51,280	55,056	55,010	60,885	68,205	78,131	89,836	95,987 [d]	113,377	129,706
State Board of Equalization:											
Land	414	408	374	404	430	422	430	423	460	487	547
Improvements	2,411	2,332	2,410	2,466	2,483	2,594	2,893	3,431	6,001	6,546	6,911
Totals	2,826	2,740	2,784	2,870	2,912	3,016	3,323	3,854	6,461	7,033	7,458
Tangible personal property	1,813	1,753	1,777	1,740	1,904	2,025	2,257	2,611	461	408	407
Gross tangible property totals	4,638	4,493	4,561	4,610	4,816	5,041	5,580	6,465	6,922	7,441	7,865
Business inventory exemptions	2	2	2	3	8	13	23	37	48	51	[e]
Net tangible property totals	4,637	4,491	4,559	4,607	4,809	5,028	5,557	6,428	6,874	7,390	7,865
Totals all property:											
Land	21,363	22,522	23,872	24,948	27,284	29,442	32,663	36,668	37,598	43,822	52,746
Improvements	27,827	29,659	32,004	34,561	38,124	42,826	49,369	57,580	64,317	74,652	86,341
Totals	49,190	52,180	55,876	59,509	65,408	72,268	82,032	94,248	101,915	118,474	139,087
Tangible personal property	8,184	8,476	8,892	9,607	10,868	12,615	14,073	15,143	14,943	17,242	8,837
Gross tangible property totals	57,374	60,656	64,768	69,116	76,276	84,883	96,105	109,391	116,858 [d]	135,715	147,924
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	55,580	58,785	62,791	67,278	74,299	82,692	93,717	106,694	114,052 [d]	132,821	144,739
Net of all exemptions	52,671	55,771	59,614	59,617	65,693	73,233	83,687	96,264	102,862 [d]	120,767	137,570
Ratios of assessed to full value of locally assessed property (percent)	23.2	24.2	24.5	23.8	24.2	24.7	25.1	23.0	–	–	–
Statewide average tax rates (per $100 assessed valuation)	$10.85	$11.43	$11.46	$11.15	$11.24	$11.33	$11.19	$10.68	$4.79	$4.69	–

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals

	County assessors	Totals all property
Gross tangible property totals	$112,620	$119,542
Net tangible property totals		
Net of "all other exemptions"	$109,815	$116,737
Net of all exemptions	$98,673	$105,547

[e] Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

NOTE: Detail may not add to total because of rounding.

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1980–81 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Exemptions	Net total	Percent change year to year [c]
1	2	3	4	5	6	7
Alameda	$2,387,929	$3,206,940	$359,381	$154,465	$5,799,785	12.6
Alpine	8,828	11,718	635	59	21,122	11.7
Amador	58,601	104,979	15,694	1,096	178,178	23.9
Butte	275,701	490,173	47,921	15,143	798,652	16.5
Calaveras	77,524	105,905	6,029	1,091	188,367	23.4
Colusa	102,880	56,629	19,486	1,972	177,023	12.9
Contra Costa	1,444,348	3,138,361	200,526	55,380	4,727,855	15.6
Del Norte	30,823	46,026	9,918	1,252	85,515	18.4
El Dorado	236,120	484,201	18,228	6,453	732,096	19.9
Fresno	1,169,074	1,976,895	237,390	66,759	3,316,600	21.8
Glenn	93,934	82,454	19,535	1,293	194,630	9.4
Humboldt	165,818	354,694	39,925	12,048	548,389	10.5
Imperial	198,122	201,309	46,176	4,397	441,210	11.6
Inyo	104,480	60,911	7,403	1,758	171,036	17.1
Kern	3,052,646	1,598,337	177,715	45,119	4,783,579	39.1
Kings	143,487	220,445	35,646	5,812	393,766	12.5
Lake	135,469	136,462	9,186	2,451	278,666	25.8
Lassen	50,066	55,234	8,858	839	113,319	12.4
Los Angeles	15,867,212	24,037,563	2,551,401	1,103,692	41,352,484	16.9
Madera	157,633	268,811	36,509	4,626	458,327	21.6
Marin	619,761	1,196,408	64,559	38,148	1,842,580	15.8
Mariposa	42,183	36,579	4,083	689	82,156	16.5
Mendocino	163,259	247,827	21,751	6,149	426,688	17.6
Merced	273,083	430,484	47,272	9,097	741,742	14.7
Modoc	51,768	28,684	6,282	167	86,567	8.2
Mono	56,249	95,618	4,955	228	156,594	24.3
Monterey	700,510	1,086,430	98,883	26,495	1,859,328	19.6
Napa	213,798	396,920	26,095	21,877	614,936	15.0
Nevada	163,171	242,601	9,893	3,617	412,048	29.8
Orange	5,171,331	7,431,421	738,394	143,201	13,197,945	17.7
Placer	298,936	601,423	37,490	12,999	924,850	23.2
Plumas	64,867	135,588	7,390	843	207,002	12.9
Riverside	1,479,396	2,603,696	153,271	69,491	4,166,874	24.8
Sacramento	982,668	2,771,645	166,300	78,273	3,842,340	18.0
San Benito	66,043	85,141	9,845	971	160,058	12.5
San Bernardino	1,147,422	3,297,912	200,244	104,053	4,541,525	19.8
San Diego	4,158,777	6,345,481	540,799	209,365	10,835,692	19.2
San Francisco	1,440,379	3,095,194	264,483	213,080	4,586,976	9.8
San Joaquin	593,344	1,263,634	157,065	58,088	1,955,955	15.9
San Luis Obispo	378,313	702,509	67,164	10,803	1,137,183	12.2
San Mateo	1,367,861	3,025,033	481,757	131,229	4,743,422	14.2
Santa Barbara	803,564	1,177,876	90,954	54,590	2,017,804	19.7
Santa Clara	2,275,254	5,296,656	919,988	291,451	8,200,447	16.5
Santa Cruz	412,723	694,562	63,907	26,381	1,144,811	16.7
Shasta	213,744	462,598	44,846	9,764	711,424	18.5
Sierra	15,914	14,995	1,588	410	32,087	16.2
Siskiyou	104,685	131,473	25,710	3,206	258,662	14.0
Solano	399,388	790,375	96,454	16,586	1,269,631	27.8
Sonoma	688,163	1,162,139	77,575	22,934	1,904,943	19.8
Stanislaus	460,332	992,842	78,735	32,750	1,499,129	14.8
Sutter	166,886	193,193	33,186	5,349	387,916	13.1
Tehama	92,093	140,140	13,393	4,492	241,134	20.9
Trinity	33,983	35,408	5,655	383	74,663	17.1
Tulare	360,205	754,417	82,904	14,646	1,182,880	22.2
Tuolumne	86,689	149,058	10,849	3,283	243,313	19.3
Ventura	1,138,435	2,048,494	274,656	60,026	3,401,559	23.2
Yolo	228,934	419,618	44,094	7,667	684,979	12.9
Yuba	71,048	119,018	16,717	5,787	200,996	15.4
Totals	$52,745,854	$86,341,139	$8,836,748	$3,184,303	$144,739,438	17.9

[a] The value of the homeowners' exemption, $7,166,967,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $109,606,000 and are subject to exclusive state taxation.

[c] Computed by excluding from 1979–80 assessed valuations both taxable and exempt values on business inventories. Business inventories are no longer enrolled because they became totally exempt effective on the 1980–81 property tax rolls.

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1980–81

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Total	Percent change year to year [a]
1	2	3	4	5	6
Alameda	$27,922	$250,105	$14,601	$292,628	.6
Alpine	836	1,605	1	2,442	2.4
Amador	913	25,624	1,582	28,119	3.3
Butte	2,409	68,902	2,225	73,536	5.7
Calaveras	350	14,009	219	14,578	5.0
Colusa	364	12,163	357	12,884	1.3
Contra Costa	19,399	264,143	39,340	322,882	11.7
Del Norte	96	3,894	115	4,105	6.5
El Dorado	736	32,218	2,192	35,146	12.9
Fresno	10,455	263,209	4,043	277,707	10.3
Glenn	325	14,010	210	14,545	1.2
Humboldt	1,228	43,769	2,798	47,795	6.2
Imperial	1,789	19,149	2,015	22,953	−.1
Inyo	986	11,653	329	12,968	−1.8
Kern	6,229	178,337	6,108	190,674	3.0
Kings	687	26,979	496	28,162	2.6
Lake	931	19,334	47	20,312	18.5
Lassen	836	10,298	1,441	12,575	−3.3
Los Angeles	208,972	1,503,641	90,213	1,802,826	6.5
Madera	3,969	43,107	835	47,911	6.8
Marin	5,195	51,187	666	57,048	3.6
Mariposa	64	5,073	41	5,178	3.1
Mendocino	1,034	23,563	422	25,019	9.2
Merced	1,918	42,503	1,260	45,681	6.1
Modoc	250	8,333	1,133	9,716	.9
Mono	442	7,494	48	7,984	−.1
Monterey	5,971	130,994	22,608	159,573	13.9
Napa	754	23,103	251	24,108	10.2
Nevada	1,418	27,435	666	29,519	13.9
Orange	29,607	391,188	21,168	441,963	8.3
Placer	4,964	59,342	3,253	67,559	6.9
Plumas	7,379	59,884	598	67,861	−1.8
Riverside	11,040	181,325	26,499	218,864	21.9
Sacramento	6,253	173,801	7,073	187,127	3.3
San Benito	369	12,245	96	12,710	5.8
San Bernardino	22,042	365,229	34,156	421,427	3.5
San Diego	26,228	711,097	29,299	766,624	10.6
San Francisco	26,365	259,605	20,153	306,123	.7
San Joaquin	15,145	104,630	3,604	123,379	7.5
San Luis Obispo	4,039	256,224	20,364	280,627	6.7
San Mateo	19,787	126,706	2,605	149,098	7.4
Santa Barbara	14,388	67,089	1,875	83,352	4.1
Santa Clara	15,821	259,481	6,297	281,599	9.8
Santa Cruz	1,611	37,632	325	39,568	13.2
Shasta	5,621	111,832	3,389	120,842	7.4
Sierra	371	2,273	41	2,685	−7.1
Siskiyou	2,338	24,102	5,955	32,395	11.9
Solano	2,140	60,502	1,342	63,984	7.9
Sonoma	2,002	108,280	1,916	112,198	9.0
Stanislaus	5,349	54,854	1,628	61,831	12.2
Sutter	849	20,304	340	21,493	9.1
Tehama	724	24,233	785	25,742	8.8
Trinity	188	6,362	120	6,670	−2.3
Tulare	2,772	75,539	2,235	80,546	5.7
Tuolumne	810	19,399	1,023	21,232	8.6
Ventura	9,234	159,177	11,450	179,861	5.7
Yolo	2,933	35,879	1,277	40,089	6.0
Yuba	520	17,178	1,559	19,257	8.3
Totals	$547,367	$6,911,226	$406,687	$7,865,280	7.2

[a] Computed by excluding from 1979–80 assessed valuations both taxable and exempt values on business inventories. Business inventories are no longer enrolled because they became totally exempt effective on the 1980–81 property tax rolls.

[b] Excludes railroad cars operated by private car companies, which were assessed at $109,626,000 and are subject to exclusive state taxation.

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1979–80 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property	Exemptions	Net total	Percent change year to year [b]
1	2	3	4	5	6	7
Alameda	$2,360,007	$2,956,835	$344,780	$154,465	$5,507,157	13.4
Alpine	7,992	10,113	634	59	18,680	13.0
Amador	57,688	79,355	14,112	1,096	150,059	28.7
Butte	273,292	421,271	45,696	15,143	725,116	17.7
Calaveras	77,174	91,896	5,810	1,091	173,789	25.3
Colusa	10,516	44,466	19,129	1,972	164,139	13.9
Contra Costa	1,424,949	2,874,218	161,186	55,380	4,404,973	15.8
Del Norte	30,727	42,132	9,803	1,252	81,410	19.1
El Dorado	235,384	451,963	16,036	6,453	696,950	20.3
Fresno	1,158,619	1,713,686	233,347	66,759	3,038,893	23.0
Glenn	93,609	68,444	19,325	1,293	180,085	10.2
Humboldt	164,590	310,925	37,127	12,048	500,594	10.9
Imperial	196,333	182,160	44,161	4,397	418,257	12.3
Inyo	103,494	49,258	7,074	1,758	158,068	18.9
Kern	3,046,417	1,420,000	171,607	45,119	4,592,905	41.1
Kings	142,800	193,466	35,150	5,812	365,604	13.4
Lake	134,538	117,128	9,139	2,451	258,354	26.5
Lassen	49,230	44,936	7,417	839	100,744	14.8
Los Angeles	15,658,240	22,533,922	2,461,188	1,103,692	39,549,658	17.4
Madera	153,664	225,704	35,674	4,626	410,416	23.6
Marin	614,566	1,145,221	63,893	38,148	1,785,532	16.2
Mariposa	42,119	31,506	4,042	689	76,978	17.5
Mendocino	162,225	224,264	21,329	6,149	401,669	18.2
Merced	271,165	387,981	46,012	9,097	696,061	15.3
Modoc	51,518	20,351	5,149	167	76,851	9.2
Mono	55,807	88,124	4,907	228	148,610	25.9
Monterey	694,539	955,436	76,275	26,495	1,699,755	20.2
Napa	213,044	373,817	25,844	21,877	590,828	15.2
Nevada	161,753	215,166	9,227	3,617	382,529	31.2
Orange	5,141,724	7,040,233	717,226	143,201	12,755,982	18.0
Placer	293,972	542,081	34,237	12,999	857,291	24.7
Plumas	57,488	75,704	6,792	843	139,141	21.8
Riverside	1,468,356	2,422,373	126,772	69,491	3,948,010	24.9
Sacramento	976,415	2,597,844	159,227	78,273	3,655,213	18.9
San Benito	65,674	72,896	9,749	971	147,348	13.2
San Bernardino	1,125,380	2,932,683	166,068	104,053	4,120,098	21.7
San Diego	4,132,549	5,634,384	511,500	209,365	10,069,068	20.0
San Francisco	1,414,014	2,835,589	244,330	213,080	4,280,853	10.5
San Joaquin	578,199	1,159,004	153,461	58,088	1,832,576	16.5
San Luis Obispo	374,274	446,285	46,800	10,803	856,556	14.1
San Mateo	1,348,074	2,898,327	479,152	131,229	4,594,324	14.5
Santa Barbara	789,176	1,110,787	89,079	54,590	1,934,452	20.5
Santa Clara	2,259,433	5,037,175	913,691	291,451	7,918,848	16.8
Santa Cruz	411,112	656,930	63,582	26,381	1,105,243	16.9
Shasta	208,123	350,766	41,457	9,764	590,582	21.1
Sierra	15,543	12,722	1,547	410	29,402	18.9
Siskiyou	102,347	107,371	19,755	3,206	226,267	14.3
Solano	397,248	729,873	95,112	16,586	1,205,647	29.1
Sonoma	686,161	1,053,859	75,659	22,934	1,792,745	20.6
Stanislaus	454,983	937,988	77,107	32,780	1,437,298	14.9
Sutter	166,037	172,889	32,846	5,349	366,423	13.4
Tehama	91,369	115,907	12,608	4,492	215,392	22.5
Trinity	33,795	29,046	5,535	383	67,993	19.4
Tulare	357,433	678,878	80,669	14,646	1,102,334	23.6
Tuolumne	85,879	129,659	9,826	3,283	222,081	20.4
Ventura	1,129,201	1,889,317	263,206	60,026	3,221,698	24.4
Yolo	226,001	383,739	42,817	7,667	644,890	13.3
Yuba	70,528	101,840	15,138	5,787	181,739	16.2
Totals	$52,196,487	$79,429,913	$8,430,061	$3,184,303	$136,874,158	18.6

[a] The value of the homeowners' exemption, $7,166,967,000 has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Computed by excluding from the 1979–80 assessed valuations both taxable and exempt values on business inventories. Business inventories are no longer enrolled because they became totally exempt effective on the 1980–81 property tax rolls.

TABLE 8—NUMBER AND ASSESSED VALUE OF VETERANS', CHURCH, COLLEGE AND WELFARE EXEMPTIONS, 1980–81

(Assessed values in thousands of dollars)

County	Total exempt value [a]		Veterans' exemptions [c]		Church exemptions	
	Assessed value	As percent of tax base [b]	Number	Assessed value	Number	Assessed value
1	2	3	4	5	6	7
Alameda	$154,466	2.7	317	$2,333	593	$25,285
Alpine	59	.3	2	14	1	8
Amador	1,096	.6	34	136	29	551
Butte [d]	15,138	1.9	167	713	149	4,079
Calaveras	1,091	.6	46	133	47	558
Colusa	1,972	1.1	16	30	43	554
Contra Costa	55,377	1.2	243	1,948	394	22,215
Del Norte	1,260	1.5	46	61	26	708
El Dorado	6,453	.9	80	563	71	1,982
Fresno [d]	66,759	2.0	334	1,348	664	21,899
Glenn	1,309	.7	17	56	57	1,100
Humboldt [d]	12,028	2.2	110	365	197	3,557
Imperial	4,397	1.0	139	135	134	3,384
Inyo	1,758	1.0	19	30	45	1,014
Kern	45,119	.9	481	729	808	20,636
Kings	5,812	1.5	78	257	134	2,164
Lake	2,451	.9	107	207	88	876
Lassen	829	.7	175	73	45	543
Los Angeles	1,103,692	2.7	2,457	12,835	3,977	214,878
Madera	3,719	.8	88	215	113	2,307
Marin	38,148	2.1	111	986	125	7,663
Mariposa	687	.8	41	99	20	171
Mendocino	5,826	1.4	70	179	109	1,750
Merced	9,097	1.2	191	934	192	4,019
Modoc	167	.2	32	20	32	143
Mono	228	.1	3	7	12	188
Monterey	26,495	1.4	236	1,978	180	7,089
Napa	21,877	3.6	48	331	90	4,890
Nevada	3,592	.9	122	480	55	1,223
Orange	143,132	1.1	690	6,320	467	30,914
Placer	12,999	1.4	84	468	151	4,054
Plumas	827	.4	20	60	40	487
Riverside	69,399	1.7	561	3,197	417	15,497
Sacramento	78,274	1.9	504	3,843	727	25,409
San Benito	971	.6	8	52	20	426
San Bernardino	104,408	2.3	867	4,287	744	25,851
San Diego	209,365	1.9	1,275	11,063	736	36,930
San Francisco	213,080	4.6	117	856	533	30,418
San Joaquin	58,088	3.0	139	1,068	391	11,172
San Luis Obispo	10,803	.9	102	457	186	6,084
San Mateo	130,366	2.7	166	1,421	259	18,071
Santa Barbara	54,608	2.7	173	1,231	196	10,864
Santa Clara	291,490	3.6	339	2,798	545	34,915
Santa Cruz	26,347	2.3	101	724	188	6,589
Shasta	9,720	1.4	134	607	132	3,808
Sierra	406	1.3	18	33	12	112
Siskiyou	3,141	1.2	130	163	99	1,176
Solano	16,604	1.3	307	2,390	153	3,357
Sonoma	22,935	1.2	217	1,534	207	7,826
Stanislaus	32,729	2.2	181	665	356	14,833
Sutter	5,358	1.4	43	248	81	2,840
Tehama	4,492	1.9	87	137	75	1,457
Trinity	475	.6	35	42	20	362
Tulare [d]	14,721	1.2	175	459	454	7,986
Tuolumne	3,283	1.3	79	252	46	963
Ventura	60,026	1.8	189	1,712	316	14,603
Yolo	7,666	1.1	57	350	89	2,584
Yuba [d]	5,754	2.9	75	278	69	1,649
Totals	$3,182,369	2.2	12,663	$73,910	16,139	$676,671

[a] Includes all exempt values for which exemption claims are required except those arising from the homeowners' and cemetery exemption laws.

[b] The tax base includes the values of the homeowners' exemption but excludes all other exemptions. Tax base is given in column 6 of Table 3.

[c] Blind and disabled veterans included in these figures numbered 7,718 with an exempt value of $69,993,000. Comparable figures for 1979–80 were 7,283 and $63,531,000.

TABLE 8—NUMBER AND ASSESSED VALUE OF VETERANS', CHURCH, COLLEGE, AND WELFARE EXEMPTIONS, 1980–81—Concluded

(Assessed values in thousands of dollars)

County	College exemptions: private non-profit		Welfare exemptions					
			Schools below college grade: private non-profit		Hospitals: private non-profit		Other charitable properties [a]	
	Number	Assessed value	Number	Assessed value	Number	Assessed value	Number	Assessed value
8	9	10	11	12	13	14	15	16
Alameda	20	$13,624	7	$71	20	$43,925	566	$69,228
Alpine	–	–	–	–	–	–	2	37
Amador	–	–	–	–	–	–	26	409
Butte	–	–	8	999	4	6,602	54	2,745
Calaveras	–	–	–	–	–	–	14	400
Colusa	–	–	1	51	1	1,337	–	–
Contra Costa	2	5,558	49	7,505	12	11,296	105	6,853
Del Norte	–	–	3	261	–	–	24	230
El Dorado	1	311	3	245	2	2,317	49	1,035
Fresno	7	1,331	52	3,514	15	22,905	159	15,651
Glenn	–	–	2	72	–	–	4	81
Humboldt	–	–	14	1,279	7	5,405	97	1,422
Imperial	–	–	8	347	–	–	29	531
Inyo	1	173	12	167	–	–	29	374
Kern	–	–	52	2,081	22	17,682	146	3,991
Kings	–	–	3	358	2	1,830	17	1,003
Lake	–	–	2	39	1	763	29	566
Lassen	–	–	3	213	–	–	–	–
Los Angeles	71	184,769	353	65,836	120	332,019	2,778	293,355
Madera	–	–	4	82	1	501	27	614
Marin	16	7,566	65	5,791	2	3,054	209	13,088
Mariposa	1	1	2	13	–	–	18	403
Mendocino	7	406	11	530	3	904	142	2,057
Merced	–	–	10	840	1	2,490	29	814
Modoc	–	–	–	–	–	–	2	4
Mono	–	–	–	–	–	–	4	33
Monterey	5	392	17	4,085	4	5,341	91	7,610
Napa	7	4,992	18	2,720	6	7,055	43	1,889
Nevada	–	–	12	235	3	968	55	686
Orange	13	9,194	181	19,391	10	42,246	350	35,057
Placer	–	–	15	338	8	4,887	102	3,252
Plumas	–	–	1	41	–	–	15	239
Riverside	4	5,866	24	4,207	6	16,486	278	24,146
Sacramento	2	1,239	126	8,917	14	23,485	301	15,381
San Benito	–	–	6	340	–	–	5	153
San Bernardino	3	26,507	63	4,890	9	22,587	307	20,286
San Diego	12	16,768	154	17,495	30	53,829	787	73,280
San Francisco	51	20,628	251	30,005	74	71,880	535	59,293
San Joaquin	15	18,322	26	3,382	10	12,390	128	11,754
San Luis Obispo	–	–	25	986	–	–	73	3,276
San Mateo	10	45,522	82	13,903	5	22,002	270	29,447
Santa Barbara	4	3,499	44	9,066	5	13,383	138	16,565
Santa Clara	14	168,697	58	15,274	10	28,916	345	40,890
Santa Cruz	56	852	16	226	4	6,522	359	11,434
Shasta	–	–	24	1,026	1	3,549	41	730
Sierra	–	–	–	–	–	–	9	261
Siskiyou	–	–	–	–	4	1,273	17	529
Solano	–	–	47	2,890	13	7,273	39	694
Sonoma	–	–	22	2,235	3	4,247	190	7,093
Stanislaus	1	1	23	2,253	5	8,209	113	6,768
Sutter	–	–	9	415	2	1,589	14	266
Tehama	–	–	5	358	2	2,177	14	363
Trinity	–	–	1	15	–	–	3	56
Tulare	–	–	5	941	3	841	60	4,382
Tuolumne	2	5	1	40	2	1,239	25	784
Ventura	14	5,548	23	3,543	12	7,613	226	27,007
Yolo	–	–	9	517	1	2,939	49	1,276
Yuba	–	–	–	–	3	2,494	59	1,321
Totals	339	$541,771	1,952	$240,228	462	$925,450	9,594	$821,104

[d] An additional exemption enacted by the legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt real property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $400. Three counties adopted ordinances which exempted the following amounts on the 1980 rolls: Fresno, $111,000; Tulare, $112,000; and Yuba, $12,000.

[a] General welfare agencies, youth service agencies, orphanages, and religious properties other than churches.

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1980–81 [a]

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$5,954,250	207,310	$362,155	$154,465	$516,620	$5,437,630
Alpine	21,181	155	270	59	329	20,852
Amador	179,274	4,575	7,987	1,096	9,083	170,191
Butte	813,795	29,325	51,092	15,143	66,235	747,560
Calaveras	189,458	5,041	8,800	1,091	9,891	179,567
Colusa	178,995	2,637	4,565	1,972	6,537	172,458
Contra Costa	4,783,235	149,580	261,466	55,380	316,846	4,466,389
Del Norte	86,767	3,541	6,051	1,252	7,303	79,464
El Dorado	738,549	16,885	29,494	6,453	35,947	702,602
Fresno	3,383,359	87,259	152,337	66,759	219,096	3,164,263
Glenn	195,923	4,344	7,527	1,293	8,820	187,103
Humboldt	560,437	20,484	35,703	12,048	47,751	512,686
Imperial	445,607	13,434	22,919	4,397	27,316	418,291
Inyo	172,794	2,702	4,664	1,758	6,422	166,372
Kern	4,828,698	71,121	122,405	45,119	167,524	4,661,174
Kings	399,578	11,846	20,388	5,812	26,200	373,378
Lake	281,117	9,398	16,139	2,451	18,590	262,527
Lassen	114,158	4,197	7,214	839	8,053	106,105
Los Angeles	42,456,176	1,138,328	1,969,797	1,103,692	3,093,489	39,362,687
Madera	462,953	10,696	18,551	4,626	23,177	439,776
Marin	1,880,728	48,325	84,510	38,148	122,658	1,758,070
Mariposa	82,845	2,155	3,690	689	4,379	78,466
Mendocino	432,837	12,626	22,070	6,149	28,219	404,618
Merced	750,839	22,044	38,299	9,097	47,396	703,443
Modoc	86,734	2,112	3,590	167	3,757	82,977
Mono	156,822	1,155	1,993	228	2,221	154,601
Monterey	1,885,823	42,511	74,384	26,495	100,879	1,784,944
Napa	636,813	19,079	33,361	21,877	55,238	581,575
Nevada	415,665	12,017	20,922	3,617	24,539	391,126
Orange	13,341,146	353,700	618,267	143,201	761,468	12,579,678
Placer	937,849	25,924	45,316	12,999	58,315	879,534
Plumas	207,845	3,877	6,726	843	7,569	200,276
Riverside	4,236,365	125,659	218,269	69,491	287,760	3,948,605
Sacramento	3,920,613	153,995	269,338	78,273	347,611	3,573,002
San Benito	161,029	3,918	6,853	971	7,824	153,205
San Bernardino	4,645,578	165,747	286,240	104,053	390,293	4,255,285
San Diego	11,045,057	307,253	537,409	209,365	746,774	10,298,283
San Francisco	4,800,056	96,068	167,997	213,080	381,077	4,418,979
San Joaquin	2,014,043	65,775	114,947	58,088	173,035	1,841,008
San Luis Obispo	1,147,986	26,825	46,782	10,803	57,585	1,090,401
San Mateo	4,874,651	123,434	215,985	131,229	347,214	4,527,437
Santa Barbara	2,072,394	49,032	85,786	54,590	140,376	1,932,018
Santa Clara	8,491,898	241,096	421,917	291,451	713,368	7,778,530
Santa Cruz	1,171,192	33,865	59,230	26,381	85,611	1,085,581
Shasta	721,188	22,818	39,704	9,764	49,468	671,720
Sierra	32,497	684	1,157	410	1,567	30,930
Siskiyou	261,868	8,920	15,321	3,206	18,527	243,341
Solano	1,286,217	44,359	77,539	16,586	94,125	1,192,092
Sonoma	1,927,877	59,366	103,874	22,934	126,808	1,801,069
Stanislaus	1,531,909	51,247	89,528	32,780	122,308	1,409,601
Sutter	393,265	10,028	17,525	5,349	22,874	370,391
Tehama	245,626	8,723	15,099	4,492	19,591	226,035
Trinity	75,046	2,386	4,138	383	4,521	70,525
Tulare	1,197,526	41,719	72,341	14,646	86,987	1,110,539
Tuolumne	246,596	7,302	12,675	3,283	15,958	230,638
Ventura	3,461,585	91,836	160,622	60,026	220,648	3,240,937
Yolo	692,646	18,892	33,024	7,667	40,691	651,955
Yuba	206,783	7,533	13,015	5,787	18,802	187,981
Totals	$147,923,741	$4,106,865	$7,168,967	$3,184,303	$10,353,270	$137,570,471

[a] Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980–81 property tax rolls and are not enrolled.

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1980–81

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$292,628	$5,043,090	$5,335,718	$464,067	5,799,785
Alpine	2,442	15,268	17,710	3,412	21,122
Amador	28,119	140,829	168,948	9,230	178,178
Butte	73,536	692,883	766,419	32,233	798,652
Calaveras	14,578	169,268	183,846	4,521	188,367
Colusa	12,884	155,210	168,094	8,929	177,023
Contra Costa	322,882	4,202,871	4,525,753	202,102	4,727,855
Del Norte	4,105	77,042	81,147	4,368	85,515
El Dorado	35,146	679,563	714,709	17,387	732,096
Fresno	277,707	2,856,582	3,134,289	182,311	3,316,600
Glenn	14,545	172,799	187,344	7,286	194,630
Humboldt	47,795	471,554	519,349	29,040	548,389
Imperial	22,953	379,046	401,999	39,211	441,210
Inyo	12,968	148,449	161,417	9,619	171,036
Kern	190,674	4,433,458	4,624,132	159,447	4,783,579
Kings	28,162	343,282	371,444	22,322	393,766
Lake	20,312	244,022	264,334	14,332	278,666
Lassen	12,575	95,933	108,508	4,811	113,319
Los Angeles	1,802,826	36,562,546	38,365,372	2,987,112	41,352,484
Madera	47,911	391,950	439,861	18,466	458,327
Marin	57,048	1,700,816	1,757,864	84,716	1,842,580
Mariposa	5,178	68,172	73,350	8,806	82,156
Mendocino	25,019	385,365	410,384	16,304	426,688
Merced	45,681	661,273	706,954	34,788	741,742
Modoc	9,716	73,807	83,523	3,044	86,567
Mono	7,984	136,789	144,773	11,821	156,594
Monterey	159,573	1,610,468	1,770,041	89,287	1,859,328
Napa	24,108	572,725	596,833	18,103	614,936
Nevada	29,519	370,856	400,375	11,673	412,048
Orange	441,963	11,850,648	12,292,611	905,334	13,197,945
Placer	67,559	823,732	891,291	33,559	924,850
Plumas	67,861	132,179	200,040	6,962	207,002
Riverside	218,864	3,828,138	4,047,002	119,872	4,166,874
Sacramento	187,127	3,470,561	3,657,688	184,652	3,842,340
San Benito	12,710	139,090	151,800	8,258	160,058
San Bernardino	421,427	3,929,951	4,351,378	190,147	4,541,525
San Diego	766,624	9,554,542	10,321,166	514,526	10,835,692
San Francisco	306,123	3,891,006	4,197,129	389,847	4,586,976
San Joaquin	123,379	1,724,914	1,848,293	107,662	1,955,955
San Luis Obispo	280,627	824,540	1,105,167	32,016	1,137,183
San Mateo	149,096	4,015,063	4,164,161	579,261	4,743,422
Santa Barbara	83,352	1,806,229	1,889,581	128,223	2,017,804
Santa Clara	281,599	7,226,668	7,508,267	692,180	8,200,447
Santa Cruz	39,568	1,053,960	1,093,528	51,283	1,144,811
Shasta	120,842	556,665	677,507	33,917	711,424
Sierra	2,685	26,557	29,242	2,845	32,087
Siskiyou	32,395	210,472	242,867	15,795	258,662
Solano	63,984	1,147,219	1,211,203	58,428	1,269,631
Sonoma	112,198	1,707,773	1,819,971	84,972	1,904,943
Stanislaus	61,831	1,366,692	1,428,523	70,606	1,499,129
Sutter	21,493	346,034	367,527	20,389	387,916
Tehama	25,742	208,487	234,229	6,905	241,134
Trinity	6,670	61,181	67,851	6,812	74,663
Tulare	80,546	1,040,457	1,121,003	61,877	1,182,880
Tuolumne	21,232	210,835	232,067	11,246	243,313
Ventura	179,861	3,039,708	3,219,569	181,990	3,401,559
Yolo	40,089	600,040	640,129	44,850	684,979
Yuba	19,257	172,634	191,891	9,105	200,996
Totals	$7,865,280	$127,821,891	$135,687,171	$9,052,267	$144,739,438

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

TABLE 11—ASSESSED VALUE [a] OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1980–81

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Adelanto	1,523	7,241	Chico	10,520	121,622	Folsom	3,150	46,741
Alameda	9,127	295,813	Chino	7,322	149,687	Fontana	7,292	125,353
Albany	3,486	66,667	Chowchilla	1,063	16,392	Fort Bragg	1,293	31,421
Alhambra	23,904	263,729	Chula Vista	50,334	383,846	Fort Jones	470	1,702
Alturas	1,059	9,865	Claremont	7,418	129,365	Fortuna	1,334	27,451
Amador	60	653	Clayton	638	28,596	Foster City	2,507	189,626
Anaheim	55,402	1,345,024	Cloverdale	757	13,683	Fountain Valley	5,405	294,459
Anderson	1,637	24,526	Clovis	5,979	144,553	Fowler	827	8,294
Angels	1,041	7,422	Coachella	1,097	17,803	Fremont	26,532	695,130
Antioch	7,028	179,420	Coalinga	841	18,660	Fresno	55,794	1,004,490
Arcadia	6,862	322,951	Colfax	633	4,083	Fullerton	18,552	634,213
Arcata	2,444	46,450	Coloma	683	10,645	Galt	725	15,179
Arroyo Grande	2,203	50,171	Colton	7,618	78,361	Gardena	5,822	207,614
Artesia	5,053	49,635	Colusa	1,355	13,679	Garden Grove	16,404	524,993
Arvin	654	10,371	Commerce	34,014	265,316	Gilroy	4,060	95,668
Atascadero	3,344	77,835	Compton	19,591	180,912	Glendale	18,563	780,670
Atherton	2,026	106,245	Concord	26,495	563,548	Glendora	5,556	171,667
Atwater	2,389	44,015	Corcoran	914	13,702	Gonzales	554	9,685
Auburn	4,902	44,024	Corning	1,065	15,350	Grand Terrace	8,277	35,204
Avalon	708	22,039	Corona	9,315	179,083	Grass Valley	2,782	28,351
Avenal	3,074	5,597	Coronado	3,918	157,568	Greenfield	390	8,991
Azusa	3,686	127,048	Corte Madera	1,334	64,309	Gridley	799	12,514
Bakersfield	31,384	542,032	Costa Mesa	13,375	535,167	Grover City	912	30,570
Baldwin Park	7,610	113,314	Cotati	650	14,808	Guadalupe	553	5,739
Banning	2,383	43,482	Covina	11,750	167,768	Gustine	525	12,404
Barstow	12,140	51,522	Crescent City	1,485	17,326	Half Moon Bay	1,859	48,712
Beaumont	1,728	23,150	Cudahy	890	27,351	Hanford	4,572	76,301
Bell	5,007	60,427	Culver City	14,942	331,821	Hawaiian Gardens	920	25,919
Bellflower	9,619	174,596	Cupertino	5,746	290,180	Hawthorne	13,593	295,646
Bell Gardens	4,745	51,233	Cypress	11,931	191,047	Hayward	28,335	496,163
Belmont	2,759	169,318	Daly City	11,199	323,560	Healdsburg	1,580	41,908
Belvedere	945	38,339	Davis	6,709	162,310	Hemet	6,362	105,932
Benicia	3,279	160,655	Delano	2,384	32,577	Hercules	6,837	58,173
Berkeley	16,975	454,657	Del Mar	1,128	48,182	Hermosa Beach	5,218	132,817
Beverly Hills	16,557	701,071	Del Rey Oaks	285	7,708	Hidden Hills	254	23,390
Biggs	277	3,313	Desert Hot Springs	1,893	37,168	Hillsborough	2,150	185,167
Bishop	2,211	21,948	Dinuba	1,465	26,000	Hollister	2,094	43,501
Blue Lake	270	2,888	Dixon	1,406	29,793	Holtville	479	9,590
Blythe	2,912	22,237	Dorris	303	1,670	Hughson	385	7,669
Bradbury	107	8,975	Dos Palos	688	8,398	Huntington Beach	65,678	1,060,916
Brawley	1,393	34,660	Downey	17,487	390,841	Huntington Park	10,417	99,117
Brea	5,027	240,446	Duarte	1,767	63,355	Huron	341	3,685
Brentwood	897	12,890	Dunsmuir	896	6,634	Imperial	605	8,574
Brisbane	10,111	22,654	El Cajon	12,547	363,585	Imperial Beach	2,769	62,725
Buena Park	13,948	349,295	El Centro	3,978	74,004	Indian Wells	983	89,064
Burbank	13,800	595,296	El Cerrito	3,894	111,343	Indio	5,981	88,314
Burlingame	13,718	260,938	El Monte	13,871	232,860	Industry	11,186	254,523
Calexico	1,216	32,463	El Segundo	41,147	488,136	Inglewood	13,366	312,890
California City	963	36,464	Emeryville	6,667	83,417	Ione	471	4,384
Calipatria	372	4,065	Escalon	666	12,751	Irvine	26,310	855,073
Calistoga	791	16,220	Escondido	15,257	331,076	Irwindale	5,361	76,512
Camarillo	6,473	251,243	Etna	200	1,900	Isleton	300	1,865
Campbell	3,499	161,675	Eureka	7,343	105,203	Jackson	1,081	10,984
Capitola	2,342	55,492	Exeter	1,096	19,070	Kerman	577	13,342
Carlsbad	30,314	313,062	Fairfax	741	44,014	King City	1,152	23,484
Carmel	1,675	64,310	Fairfield	11,434	255,521	Kingsburg	834	20,916
Carpinteria	2,275	58,096	Farmersville	518	9,425	La Canada Flintridge	6,558	153,968
Carson	15,402	613,399	Ferndale	287	4,632	Lafayette	4,354	170,600
Ceres	2,289	50,396	Fillmore	1,211	27,880	Laguna Beach	4,385	189,312
Cerritos	10,451	335,851	Firebaugh	659	8,344	La Habra	7,925	211,371

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1980–81—Continued

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
La Habra Heights	1,276	45,552	Napa	9,870	236,215	Rialto	10,921	131,214
Lake Elsinore	2,376	27,616	National City	8,618	140,106	Richmond	22,905	541,020
Lakeport	1,828	19,545	Needles	2,296	11,571	Ridgecrest	4,064	59,784
Lakewood	8,630	321,439	Nevada City	789	11,551	Rio Dell	345	6,107
La Mesa	11,132	245,465	Newark	6,662	151,050	Rio Vista	856	13,499
La Mirada	4,665	224,140	Newman	624	8,517	Ripon	633	22,749
Lancaster	10,067	188,122	Newport Beach	12,235	970,862	Riverbank	916	24,382
La Palma	1,410	79,233	Norco	2,555	85,258	Riverside	25,612	763,431
La Puente	7,157	71,347	Norwalk	16,124	244,033	Rocklin	3,123	45,720
Larkspur	3,238	101,347	Novato	8,259	266,336	Rohnert Park	3,662	113,389
La Verne	4,170	116,237	Oakdale	1,828	47,466	Rolling Hills	491	39,510
Lawndale	2,045	78,216	Oakland	122,118	1,487,560	Rolling Hills Estates	1,027	98,655
Lemon Grove	3,284	76,085	Oceanside	17,103	393,230	Rosemead	22,123	120,888
Lemoore	1,045	32,985	Ojai	1,679	39,606	Roseville	11,265	120,538
Lincoln	1,044	13,819	Ontario	24,303	362,838	Ross	442	30,418
Lindsay	1,423	23,979	Orange	25,942	579,016	Sacramento	88,201	1,256,490
Live Oak	635	6,603	Orange Cove	362	7,040	St. Helena	1,370	37,132
Livermore	8,867	215,704	Orland	940	15,115	Salinas	17,385	330,180
Livingston	773	17,132	Oroville	3,441	45,055	San Anselmo	1,437	80,479
Lodi	5,784	173,150	Oxnard	72,026	456,812	San Bernardino	48,617	411,688
Loma Linda	2,542	52,370	Pacifica	4,997	162,173	San Bruno	10,606	206,628
Lomita	4,058	78,717	Pacific Grove	1,772	77,209	San Carlos	6,485	230,658
Lompoc	2,752	82,958	Palmdale	5,484	133,346	San Clemente	5,394	220,601
Long Beach	165,355	2,015,961	Palm Desert	5,293	202,125	Sand City	127	4,067
Los Alamitos	1,945	64,998	Palm Springs	14,825	452,684	San Diego	220,744	4,691,742
Los Altos	4,371	210,733	Palo Alto	19,106	562,410	San Dimas	5,589	127,111
Los Altos Hills	1,445	85,895	Palos Verdes Estates	2,391	182,428	San Fernando	5,536	62,742
Los Angeles	584,221	15,587,888	Paradise	4,243	92,580	San Francisco	306,123	4,280,853
Los Banos	1,914	39,697	Paramount	8,189	135,426	San Gabriel	5,264	124,445
Los Gatos	6,436	205,303	Parlier	405	4,675	Sanger	1,895	38,602
Loyalton	161	2,328	Pasadena	26,673	641,941	San Jacinto	1,147	20,654
Lynwood	3,334	109,838	Paso Robles	2,521	46,614	San Joaquin	270	2,772
Madera	3,978	62,849	Patterson	790	12,816	San Jose	123,637	3,155,851
Manhattan Beach	4,066	274,457	Perris	4,752	21,912	San Juan Bautista	269	4,304
Manteca	4,254	88,268	Petaluma	5,950	159,235	San Juan Capistrano	5,232	143,094
Maricopa	181	1,746	Pico Rivera	9,827	179,467	San Leandro	22,315	454,019
Marina	1,907	47,692	Piedmont	1,076	88,481	San Luis Obispo	8,699	155,154
Martinez	5,819	143,502	Pinole	1,953	63,817	San Marcos	4,737	121,543
Marysville	4,649	45,351	Pismo Beach	1,110	35,974	San Marino	1,497	133,758
Maywood	731	33,486	Pittsburg	5,912	129,099	San Mateo	18,247	587,466
McFarland	596	7,495	Placentia	6,810	182,318	San Pablo	2,314	58,084
Mendota	536	7,667	Placerville	3,095	35,567	San Rafael	17,110	384,255
Menlo Park	7,568	277,806	Pleasant Hill	4,207	150,364	Santa Ana	44,406	982,740
Merced	8,766	151,483	Pleasanton	5,845	207,655	Santa Barbara	18,276	509,898
Millbrae	4,702	143,993	Plymouth	241	1,505	Santa Clara	23,447	705,354
Mill Valley	3,735	112,239	Point Arena	204	1,480	Santa Cruz	8,433	241,195
Milpitas	7,790	210,697	Pomona	23,596	304,650	Santa Fe Springs	11,306	281,368
Modesto	21,161	540,358	Porterville	3,969	75,454	Santa Maria	7,587	192,186
Monrovia	6,984	134,712	Port Hueneme	2,595	72,166	Santa Monica	32,034	717,630
Montague	489	2,961	Portola	743	6,322	Santa Paula	2,767	63,687
Montclair	3,013	86,818	Portola Valley	875	50,213	Santa Rosa	25,990	480,863
Monte Sereno	405	29,729	Rancho Cucamonga	39,045	323,521	Saratoga	4,652	233,497
Montebello	22,422	227,313	Rancho Mirage	2,980	200,653	Sausalito	1,771	99,664
Monterey	10,149	181,991	Rancho Palos Verdes	7,457	325,644	Scotts Valley	1,839	42,269
Monterey Park	9,760	242,513	Red Bluff	3,222	36,494	Seal Beach	7,918	177,979
Moraga	2,549	109,901	Redding	13,966	222,965	Seaside	3,097	65,498
Morgan Hill	4,275	99,564	Redlands	12,297	200,451	Sebastopol	1,490	31,240
Morro Bay	34,436	54,670	Redondo Beach	54,627	402,393	Selma	2,011	32,082
Mountain View	13,295	405,454	Redwood City	18,540	389,802	Shafter	954	14,366
Mount Shasta	806	14,913	Reedley	2,442	35,890	Sierra Madre	1,681	50,424

TABLE 11—ASSESSED VALUE [a] OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1980–81—Concluded

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Signal Hill	2,509	135,935	Tiburon	2,200	82,055	Wasco	1,137	17,039
Simi Valley	11,535	364,785	Torrance	29,154	1,001,934	Waterford	461	8,610
Soledad	920	7,803	Tracy	3,838	84,523	Watsonville	4,913	100,018
Sonoma	1,100	39,673	Trinidad	162	2,648	Weed	651	7,266
Sonora	2,463	18,952	Tulare	4,897	77,943	West Covina	6,795	371,644
South El Monte	1,682	74,358	Tulelake	245	2,021	Westminster	16,060	308,794
South Gate	8,727	233,488	Turlock	4,547	118,180	Westmorland	56	1,725
South Lake Tahoe	4,606	201,484	Tustin	4,941	228,329	Wheatland	336	3,112
South Pasadena	3,446	122,579	Ukiah	2,942	58,634	Whittier	16,211	347,848
South San Francisco	9,914	412,076	Union City	7,274	192,966	Williams	386	4,818
Stanton	5,176	86,574	Upland	9,891	234,693	Willits	1,268	20,297
Stockton	36,045	663,376	Vacaville	6,008	186,995	Willows	1,224	15,673
Suisun	1,297	43,483	Vallejo	11,511	266,160	Winters	530	8,584
Sunnyvale	24,809	834,283	San Buenaventura	17,098	415,553	Woodlake	464	7,390
Susanville	2,190	23,506	Vernon	12,259	270,832	Woodland	4,768	128,824
Sutter Creek	485	7,240	Victorville	9,271	72,385	Woodside	1,785	79,290
Taft	2,444	15,537	Villa Park	832	54,025	Yorba Linda	5,468	185,978
Tehachapi	1,050	11,142	Visalia	13,108	250,212	Yountville	403	6,640
Tehama	91	1,099	Vista	7,512	175,292	Yreka	2,972	32,948
Temple City	2,740	116,756	Walnut	3,931	65,601	Yuba City	5,250	90,332
Thousand Oaks	16,962	609,509	Walnut Creek	14,363	457,530	Grand totals	4,622,827	97,933,424

[a] These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1980–81

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	$3,470,312
Gas and electric	3,871,521
Intercounty pipelines, flumes, canals, ditches, and aqueducts	106,484
Car	6,663
Express	–
Railroad	410,289
Total	$7,865,269
UNDER PRIVATE CAR TAX LAW	
Private cars	$109,696
Grand total	$7,974,965

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1980–81

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
American Satellite Corporation	$2,750
American Telephone & Telegraph Long Lines	54,281
Calaveras Telephone Company	376
California-Oregon Telephone Company	311
Capay Valley Telephone System, Inc.	225
Citizens Utilities Company of California	23,281
Communications Satellite Corporation	1,499
Comsat General Corporation	1,244
Continental Telephone Company of California	65,778
Dorris Telephone Company	425
Ducor Telephone Company	241
Evans Telephone Company	627
Foresthill Telephone Company	252
General Telephone Company of California	649,240
G.T.E. Satellite Corporation	3,675
Happy Valley Telephone Company	600
Hornitos Telephone Company	120
I.T.T. World Communications, Inc.	5,432
Kerman Telephone Company	510
Livingston Telephone Company	634
Mariposa County Telephone Company, Inc.	1,250
M.C.I. Telecommunications Corporation	2,649
Pacific Telephone & Telegraph Company	2,574,018
Ponderosa Telephone Company	2,250
R.C.A. American Communications Inc.	4,250
R.C.A. Global Communications, Inc.	4,489
Roseville Telephone Company	13,009
Sierra Telephone Company, Inc.	2,626
Siskiyou Telephone Company	1,531
Southern Pacific Communications Company	10,198
Tuolumne Telephone Company	1,753
United States Transm. Systems, Inc.	605
Volcano Telephone Company	1,828
West Coast Telephone Company of California	2,727
Western Union International Inc.	1,018
Western Union Telegraph Company	27,366
Three Companies with an assessed value of less than $100,000 each	188
52 Radio-telephone companies	7,076
Total for telephone and telegraph companies	$3,470,312

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1980–81—Continued

(In thousands of dollars)

Name of company	Assessed value
1	2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Inc.	$750
Bay Point Light & Power Inc.	110
C.P. National Corporation	7,048
Pacific Gas and Electric Company	1,892,350
Pacific Lighting Service Company	79,256
Pacific Power and Light Company	17,035
Plumas-Sierra Rural Electric Co-op	1,250
San Diego Gas and Electric Company	357,052
Sierra Pacific Power Company	9,621
Southern California Edison Company	1,258,292
Southern California Gas Company	217,098
Southern California Water Company	23,206
Southwest Gas Corp.	6,775
Surprise Valley Electrification Corp.	1,375
9 companies with an assessed value of less than $100,000 each	301
Total for gas and electric companies	$3,871,521
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [a]	
Beacon Oil Company	$245
Casitas Pipeline Company	780
Chevron U.S.A., Inc.	7,800
City of Riverside	1,220
Cuyama Pipeline Company	515
Dow Chemical Company, The	1,488
Exxon Pipeline Company	225
Four Corners Pipe Line Company	15,000
Getty Oil Company	2,638
Gulf Oil Corporation	519
Industrial Royalties Company	7,083
Kerr-McGee Chemical Corp.	388
Mobil Oil Corporation	11,151
Powerine Oil Company	193
Riverside Highland Water Company	1,050
San Diego Pipeline Company	3,250
San Luis Canal Company	469
Santa Clara Pipe Line Company	6,150
Shell Oil Company	8,170
Southern Pacific Pipe Lines, Inc.	30,000
Standard Pacific Gas Line, Inc.	4,156
Standard Pipe Line Company	550
Texaco, Inc.	303
Union Oil Company of California	2,891
West Riverside Canal	144
3 companies with an assessed value of less than $100,000 each	106
Total for intercounty pipe lines, etc.	$106,484

[a] All other taxable property owned by these companies is locally assessed.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1980-81—Concluded

(In thousands of dollars)

Name of company	Assessed value
1	2
CAR COMPANIES [b]	
ACF Industries, Inc., Shippers Car Line Division	$1
General American Transportation Corp.	495
National Railroad Passenger Corp. (AMTRAK)	3,473
North American Car Company	595
Pacific Fruit Express Co.	2,084
Union Tank Car Co.	15
Total for car companies	$6,663
RAILROAD COMPANIES	
Alameda Belt Line	$446
Almanor Railroad Co.	113
Amador Central Railroad Co.	1,527
Arcata and Mad River Rail Road Co.	1,445
Atchison, Topeka, & Santa Fe Railway Co.	83,672
Burlington Northern, Inc.	768
California Western Railroad	127
Camino, Placerville & Lake Tahoe Railroad Co.	1,650
Central California Traction Company	715
Holton Inter-Urban Railway Co.	153
Los Angeles Junction Railway Company	1,981
McCloud River Railroad Company	4,591
Modesto and Empire Traction Company	2,997
Northwestern Pacific Railroad Company	6,392
Oakland Terminal Railway, The	243
Parr Terminal Railroad	15
Petaluma and Santa Rosa Railroad Company	399
Port Railroads Inc.	105
Quincy Railroad Co.	150
Sacramento Northern Railway	2,542
San Diego and Arizona Eastern Railroad Company	2,250
Santa Maria Valley Railroad Company	806
Sierra Railroad Company	1,799
Southern Pacific Transportation Company	241,465
Stockton Terminal and Eastern Railroad	2,419
Sunset Railway Company	215
Tidewater Southern Railway Company	432
Trona Railway Company	4,436
Union Pacific Corporation	28,364
Ventura County Railway Company	268
Visalia Electric Railroad Company	223
Western Pacific Railroad Company	15,576
Yreka Western Railroad Company	2,003
Total for railroad companies	$410,289

[b] Property at fixed locations which is not subject to the private car tax.

[c] Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—ASSESSMENT RATIOS, "COLLIER FACTORS", AND COEFFICIENTS OF DISPERSION

Determination of ratios was suspended by the Board in 1978–79 due to lack of data needed to ascertain the proper assessed values under Proposition 13 passed at the June 6, 1978 general election. Since the coefficients of dispersion currently available to the Board are based upon pre-Proposition 13 assessment criteria, their publication has also been suspended until completion of new surveys.

TABLE 14—1979–80 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net Taxable [a] Assessed Value	Property Tax Allocations and Levies [b]					Average Tax Rate Per $100 of Assessed Value	
		City	County [c]	School [c]	Other [d] District	Total [d]	1979–80	1978–79
1	2	3	4	5	6	7	8	9
Alameda	$5,065,522	$53,612	$72,083	$75,571	$58,433	$259,699	$5.13	$5.19
Alpine	18,739	–	646	165	42	853	4.55	4.27
Amador	139,117	263	2,491	3,666	139	5,959	4.28	4.33
Butte	656,964	1,642	6,097	17,218	3,818	28,775	4.38	4.37
Calaveras	146,066	76	1,748	3,906	1,042	6,772	4.64	4.68
Colusa	158,237	338	2,332	3,524	624	6,818	4.31	4.30
Contra Costa	3,978,097	22,316	46,896	70,914	57,052	197,178	4.96	4.99
Del Norte	78,498	66	1,044	1,782	357	3,249	4.14	4.21
El Dorado	590,483	1,993	7,940	11,547	5,949	27,429	4.65	4.59
Fresno	2,689,850	14,342	35,665	53,163	16,966	120,136	4.47	4.41
Glenn	177,610	502	2,426	4,415	452	7,795	4.39	4.28
Humboldt	502,960	1,912	7,420	11,010	2,682	23,024	4.58	4.59
Imperial	384,666	2,362	5,235	8,684	920	17,201	4.47	4.52
Inyo	143,826	132	2,170	3,237	623	6,162	4.28	4.28
Kern	3,383,758	7,757	40,690	62,506	30,913	141,866	4.19	4.47
Kings	352,007	1,096	6,826	6,246	1,463	15,633	4.44	4.79
Lake	206,037	183	3,136	4,098	1,811	9,228	4.44	4.54
Lassen	96,779	202	1,225	2,740	249	4,416	4.56	4.22
Los Angeles	35,432,178	305,678	658,174	406,218	281,403	1,651,473	4.66	4.78
Madera	378,050	829	4,159	9,964	1,800	16,752	4.43	4.56
Marin	1,525,393	8,729	18,238	30,484	11,168	68,619	4.50	4.56
Mariposa	68,129	–	969	1,690	105	2,764	4.06	4.04
Mendocino	360,727	638	5,972	8,392	1,373	16,375	4.54	4.55
Merced	652,475	2,069	10,902	12,547	3,117	28,635	4.39	4.31
Modoc	78,796	126	1,213	1,734	204	3,277	4.16	4.10
Mono	124,948	–	2,067	2,190	1,488	5,745	4.60	4.58
Monterey	1,521,191	6,832	17,205	33,618	7,959	65,614	4.31	4.41
Napa	519,601	2,691	6,419	13,047	1,922	24,079	4.63	4.75
Nevada	303,269	436	3,614	7,528	2,797	14,375	4.74	4.75
Orange	10,978,737	60,998	72,795	303,604	98,778	536,175	4.88	4.98
Placer	723,397	1,570	9,176	16,389	6,220	33,355	4.61	4.75
Plumas	181,474	63	1,876	4,260	1,018	7,217	3.98	4.09
Riverside	3,215,026	14,068	38,278	69,013	35,340	156,699	4.87	5.01
Sacramento	3,106,753	15,491	47,997	52,923	32,762	149,173	4.80	4.86
San Benito	142,215	379	1,315	4,197	941	6,832	4.80	4.76
San Bernardino	3,579,292	16,445	48,143	66,725	50,775	182,088	5.09	5.02
San Diego	8,767,116	56,852	90,963	215,036	44,402	407,253	4.65	4.80
San Francisco	4,100,757	–	173,851	16,475	14,553	204,879	5.00	5.06
San Joaquin	1,694,992	9,513	28,700	28,317	10,231	76,761	4.53	4.56
San Luis Obispo	984,859	3,358	14,368	25,679	2,657	46,062	4.68	4.71
San Mateo	4,064,083	23,626	41,960	93,011	16,450	175,047	4.31	4.39
Santa Barbara	1,639,595	4,417	21,287	37,634	10,283	73,621	4.49	4.52
Santa Clara	7,011,918	41,615	80,109	182,406	34,441	338,573	4.83	4.98
Santa Cruz	902,850	3,583	10,261	22,213	4,298	40,355	4.47	4.47
Shasta	588,557	1,518	6,186	16,940	2,039	26,683	4.53	4.58
Sierra	26,353	14	633	327	138	1,112	4.22	4.24
Siskiyou	223,098	549	2,593	5,679	410	9,231	4.14	4.28
Solano	949,425	8,943	15,809	16,947	4,270	45,969	4.84	4.93
Sonoma	1,536,495	5,911	21,795	34,957	6,174	68,837	4.48	4.51
Stanislaus	1,312,488	4,886	14,977	35,082	2,917	57,862	4.41	4.47
Sutter	337,150	1,110	4,732	7,267	1,362	14,471	4.29	4.36
Tehama	192,763	471	2,749	4,572	567	8,359	4.34	4.37
Trinity	62,778	–	1,035	1,541	164	2,740	4.36	4.55
Tulare	949,665	2,845	16,160	18,197	3,616	40,818	4.30	4.37
Tuolumne	195,560	139	3,093	4,601	812	8,645	4.42	4.44
Ventura	2,657,846	8,391	34,058	50,850	31,739	125,038	4.70	4.85
Yolo	604,768	4,106	8,413	13,851	2,991	29,361	4.85	4.72
Yuba	167,275	498	2,932	3,682	852	7,964	4.76	4.74
Totals	$130,633,258	$728,183	$1,791,246	$2,223,581	$918,071	$5,661,081	$4.69	4.79

[a] These are the assessed values on which general property taxes were actually levied in 1979–80. Excluded are exemptions totaling $14,948,718,000 as follows: homeowners' $7,006,346,000; business inventories, $5,047,799,000; and all other, $2,894,571,000.

[b] The county levies at a rate of $4.00 per $100 of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the following amounts of state reimbursement to local governments for exemptions described in footnote [a]: homeowners', $288,218,255 and business inventories, $210,277,192.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the $4.00 levy allocated to jurisdictions previously taxing less than total property.

TABLE 15—1979–80 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.21	$.28	$.28	$.23	$1.00
Alpine	–	.76	.19	.05	1.00
Amador	.04	.42	.52	.02	1.00
Butte	.06	.21	.60	.13	1.00
Calaveras	.01	.26	.58	.15	1.00
Colusa	.05	.34	.52	.09	1.00
Contra Costa	.11	.24	.36	.29	1.00
Del Norte	.02	.32	.55	.11	1.00
El Dorado	.07	.29	.42	.22	1.00
Fresno	.12	.30	.44	.14	1.00
Glenn	.06	.31	.57	.06	1.00
Humboldt	.08	.32	.48	.12	1.00
Imperial	.14	.30	.51	.05	1.00
Inyo	.02	.35	.53	.10	1.00
Kern	.05	.29	.44	.22	1.00
Kings	.07	.44	.40	.09	1.00
Lake	.02	.34	.44	.20	1.00
Lassen	.05	.28	.61	.06	1.00
Los Angeles	.19	.40	.24	.17	1.00
Madera	.05	.25	.59	.11	1.00
Marin	.13	.27	.44	.16	1.00
Mariposa	–	.35	.61	.04	1.00
Mendocino	.04	.36	.52	.08	1.00
Merced	.07	.38	.44	.11	1.00
Modoc	.04	.37	.53	.06	1.00
Mono	–	.36	.38	.26	1.00
Monterey	.10	.26	.52	.12	1.00
Napa	.11	.27	.54	.08	1.00
Nevada	.03	.25	.53	.19	1.00
Orange	.11	.14	.57	.18	1.00
Placer	.05	.28	.48	.19	1.00
Plumas	.01	.26	.59	.14	1.00
Riverside	.09	.24	.44	.23	1.00
Sacramento	.10	.32	.36	.22	1.00
San Benito	.06	.19	.61	.14	1.00
San Bernardino	.09	.26	.37	.28	1.00
San Diego	.14	.22	.53	.11	1.00
San Francisco	–	.85	.08	.07	1.00
San Joaquin	.12	.37	.38	.13	1.00
San Luis Obispo	.07	.31	.56	.06	1.00
San Mateo	.13	.24	.54	.09	1.00
Santa Barbara	.06	.29	.51	.14	1.00
Santa Clara	.12	.24	.54	.10	1.00
Santa Cruz	.09	.23	.55	.11	1.00
Shasta	.06	.23	.63	.08	1.00
Sierra	.01	.57	.30	.12	1.00
Siskiyou	.06	.28	.62	.04	1.00
Solano	.19	.34	.38	.09	1.00
Sonoma	.09	.32	.50	.09	1.00
Stanislaus	.08	.26	.61	.05	1.00
Sutter	.08	.33	.50	.09	1.00
Tehama	.05	.33	.55	.07	1.00
Trinity	–	.38	.56	.06	1.00
Tulare	.07	.40	.44	.09	1.00
Tuolumne	.02	.36	.53	.09	1.00
Ventura	.07	.27	.41	.25	1.00
Yolo	.14	.29	.47	.10	1.00
Yuba	.06	.37	.46	.11	1.00
Average	$.13	$.32	$.39	$.16	$1.00

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

SPECIAL NOTE: The distribution of the property tax dollar for 1979–80 is substantially different from that for prior years, primarily due to the property tax allocation provisions of AB 8 (Chapter 282, Statutes of 1979). These provisions called for a portion of property tax revenues to be diverted from schools to cities, counties, and special districts with the loss in revenue to school districts being made up through increased state aid.

TABLE 16—Discontinued.

In previous reports this table presented data on several types of property which received special tax treatment, such as private aircraft, documented vessels, and baled cotton.

TABLE 17A—ASSESSED VALUE OF PRIVATE CARS [a] ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1980–81

Name of company	Assessed value (in thousands)	Amount of tax [b]
1	2	3
PRIVATE CARS		
ACF Industries Incorporated, Shippers' Car Line Division	$6,260	$289,230
AIRCO, Incorporated	112	5,164
Allied Chemical Corporation	329	15,192
Amoco Chemicals Corporation	497	22,976
Andrews Gas Liquids	109	5,079
ARCO/Polymers, Inc.	271	12,525
Bankers Trust Lessor, Trustee	169	7,821
Celtran, Inc.	365	16,876
Chemplex Co.	150	6,931
Chicago Frieght Car Leasing	144	6,633
Continental Oil Company	585	27,012
Crystal Car Line	216	9,970
Diamond Shamrock Corporation	125	5,763
Dow Chemical Company, The	1,296	59,967
du Pont de Nemours, E. I. & Company	1,094	50,537
Ethyl Corporation	194	8,941
Evergreen Freight Car Corporation	943	43,542
Exxon Chemical Co., U.S.A.	428	19,768
Exxon Pipe Line Company	455	21,025
Farmland Industries Inc.	206	9,514
FMC Corporation	219	10,124
Fruit Growers Express Company	2,189	101,106
General American Transportation Company	11,126	514,039
Georgia Pacific Corporation (Bellingham Division)	175	8,068
Glenco Transportation Services, Inc.	209	9,666
Granite Rock Company	664	30,678
Gulf Oil Corporation	446	20,590
Hercules Incorporated	101	4,653
Hooker Chemicals & Plastics Corporation	216	9,998
Kerr-McGee Chemical Corporation	1,031	47,653
Koppers Company Inc	228	10,526
LUCX, Incorporated	132	6,099
Mobil Oil Corporation	287	13,254
Monsanto Company	322	14,870
National Railroad Passenger Corp.	9,253	427,498
North American Car Corporation	9,084	419,694
Pacific Fruit Express Company	1,210	55,887
Pargas, Inc.	111	5,139
Phillips Petroleum Company	422	19,483
PLM, Inc.	178	8,243
PPG Industries	302	13,974
Pullman Leasing Company	2,988	138,061
Rail Box Company	8,554	395,195
Relco Nevada Corporation	168	7,783
Richmond Leasing Company	1,519	70,172
Shell Oil Company	1,382	63,860
Soltex Polymer Corporation	195	9,021
Stauffer Chemical Company	212	9,789
Sun Oil Co. of Pennsylvania	139	6,421
Tennessee Eastman Company Div. of Eastman Kodak Co.	151	6,980
Tosco Corporation	121	5,580
Trailer Train Company	28,153	1,300,646
Transportation Corp. of America	142	6,571
Union Carbide Corporation	471	21,765
Union Pacific Fruit Express	252	11,620
Union Tank Car Company	6,436	297,357
United Equipment Leasing Association	604	27,886
United States Leasing International Inc.	1,712	79,107
United States Rail Services, Inc.	398	18,395
United States Ry. Equipment Co.	1,606	74,189
Vulcan Materials Co. Chemical Division	120	5,526
112 other companies with assessed value under $100,000 each	2,518	116,306
Totals for private cars	$109,696	$5,067,940

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1980–81

Fiscal year	Average number of cars	Assessed value [a] (000 omitted)	Average assessed value per car [a]	Tax rate per $100 assessed value [b]	Amount of tax [c] (000 omitted)
1	2	3	4	5	6
1980–81	16,143	$109,696	$6,795	$4.62	$5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,652	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,559	37,627	2,584	7.79	2,931
1966–67	13,972	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,106	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1979–80
(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1979–80	$6,658,425	$365	$6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	598,477
1976–77	4,311,426	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,100
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57 [h]	599,789	102	599,891	320,486
1955–56	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973 the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1957, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 21C for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent; sales of food for human consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1979–80

Type of business	Taxable transactions [a]			State sales tax (in thousands)	Number of permits on June 30, 1980 [b]
	Amount (in thousands)	Percent of total	Percent change from 1978–79		
1	2	3	4	5	6
Retail Stores					
Women's apparel	$1,803,843	1.30	7.0	$85,682	8,176
Men's apparel	808,112	.58	4.1	38,385	2,821
Family apparel	909,447	.66	16.4	43,199	3,699
Shoes	950,963	.69	11.7	45,171	3,585
Apparel stores group	4,472,365	3.23	9.2	212,437	18,281
Limited-price variety	592,796	.43	−3.2	28,158	1,130
Department and dry goods	10,619,135	7.67	13.3	504,409	3,911
Drug stores [c]	2,332,097	1.69	8.6	110,775	4,243
Other general merchandise	515,462	.37	−40.1	24,484	1,431
General merchandise stores	14,059,490	10.16	8.2	667,826	10,415
Gifts, art goods, and novelties	499,133	.36	18.5	23,709	6,577
Sporting goods	772,322	.56	14.2	36,685	4,270
Florists	278,005	.20	15.8	13,205	3,108
Photographic equipment and supplies	323,525	.23	11.3	15,367	874
Musical instruments	802,085	.58	5.3	38,099	2,658
Stationery and books	1,004,622	.73	18.4	47,720	4,709
Jewelry	738,672	.53	11.9	35,087	3,709
Office, store, and school supplies	2,364,941	1.71	20.4	112,335	3,169
Other specialties	1,855,457	1.34	18.0	88,134	16,604
Specialty stores group	8,638,762	6.24	16.2	410,341	45,678
Food stores selling all types of liquors [c]	5,793,136	4.19	16.0	275,174	4,370
All other food stores [c]	2,295,844	1.66	17.2	109,053	15,222
Packaged liquor stores	1,942,472	1.40	7.9	92,267	5,820
Eating places: no alcoholic beverages	4,228,733	3.05	8.8	200,865	23,796
Eating places: beer and wine	2,139,984	1.55	16.3	101,649	15,381
Eating and drinking: all types of liquor	4,467,044	3.23	10.9	212,185	10,718
Eating and drinking group	10,835,761	7.83	11.1	514,699	49,895
Household and home furnishings	2,761,807	2.00	7.0	131,186	14,604
Household appliance dealers	1,401,134	1.01	9.3	66,554	3,969
Second-hand merchandise	158,525	.12	6.8	7,530	3,769
Farm implement dealers	1,211,599	.88	13.4	57,551	1,069
Farm and garden supply stores	747,380	.54	14.3	35,501	3,259
Fuel and ice dealers	262,216	.19	40.4	12,455	757
Lumber and building materials	3,915,133	2.83	5.2	185,969	807
Hardware stores	1,125,072	.81	4.3	53,441	2,119
Plumbing and electrical supplies	603,650	.44	35.9	28,673	1,206
Paint, glass, and wallpaper	595,288	.43	11.0	28,276	1,914
Building material group	6,239,143	4.51	8.0	296,359	9,046
New motor vehicle dealers	11,386,869	8.23	−5.4	540,876	2,697
Used motor vehicle dealers	766,583	.55	−3.8	36,413	3,072
Automotive supplies and parts	1,803,726	1.30	10.0	85,677	7,086
Service stations	14,923,862	10.79	48.9	706,583	15,725
Mobile homes, trailers, and campers	952,357	.69	−13.1	45,237	1,558
Boat, motorcycle, and plane dealers	909,042	.66	−2.0	43,179	2,653
Automotive group	30,742,439	22.22	15.9	1,460,965	32,791
Retail Stores Totals	91,562,073	66.18	12.7	4,349,196	218,945
Business and Personal Services	4,992,585	3.61	13.5	237,148	78,272
All Other Outlets	41,795,989	30.21	15.3	1,985,310	376,462
Totals All Outlets	$138,350,647	100.00	13.5	$6,571,656	673,679
HISTORICAL DATA					
Comparable data for all outlets:					
1978–79	121,902,213	–	15.3	5,790,353	642,152
1977–78	105,725,484	–	15.5	5,021,960	611,397
1976–77	91,518,781	–	16.7	4,347,139	583,704
1975–76	78,455,220	–	11.8	3,726,623	552,162

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 7, 1979 through Aug. 6, 1980.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $111,247,400 and penalties and interest of $17,204,600.

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1979–80

County	Taxable sales of retail stores (in thousands)	Taxable sales of all outlets [a]			State tax (in thousands)	Number of permits on June 30, 1980 [b]
		Amount (in thousands)	Percent of total	Percent change from 1978–79		
1	2	3	4	5	6	7
Alameda	$3,951,288	$6,395,043	4.62	11.3	$303,765	29,119
Alpine	4,119	6,431	[c]	[d]	306	44
Almador	66,196	89,605	.06	21.0	4,256	977
Butte	575,584	740,471	.54	14.9	35,172	4,514
Calaveras	53,117	81,643	.06	30.5	3,878	866
Colusa	50,586	99,519	.07	25.4	4,727	471
Contra Costa	3,136,314	3,979,227	2.88	21.0	189,013	15,861
Del Norte	56,687	80,343	.06	9.8	3,816	728
El Dorado	301,632	385,491	.28	12.5	18,311	3,250
Fresno	2,137,472	3,119,214	2.26	12.0	148,163	13,654
Glenn	73,789	110,064	.08	14.7	5,228	656
Humboldt	394,512	558,880	.40	11.8	26,547	3,753
Imperial	371,568	499,892	.36	15.6	23,745	2,365
Inyo	100,193	122,778	.09	9.9	5,832	790
Kern	1,660,004	2,659,335	1.92	21.2	126,318	9,850
Kings	266,067	346,623	.25	18.0	16,465	1,656
Lake	108,441	147,875	.11	14.1	7,024	1,449
Lassen	63,826	89,944	.07	17.7	4,272	790
Los Angeles	28,834,318	44,595,688	32.23	14.8	2,118,295	217,704
Madera	175,855	274,963	.20	17.3	13,061	1,654
Marin	886,852	1,147,890	.83	11.6	54,525	8,240
Mariposa	18,377	49,670	.04	18.7	2,359	455
Mendocino	260,448	364,189	.26	5.9	17,299	2,822
Merced	422,232	549,249	.40	14.1	26,089	2,714
Modoc	28,728	37,807	.03	20.2	1,796	370
Mono	50,839	68,637	.05	32.5	3,260	549
Monterey	1,034,791	1,408,009	1.02	9.8	66,880	7,427
Napa	324,882	447,803	.32	12.7	21,271	2,984
Nevada	176,623	252,846	.18	20.6	12,010	2,170
Orange	8,165,708	12,286,510	8.88	13.5	583,609	59,077
Placer	462,435	624,462	.45	10.9	29,662	3,798
Plumas	58,657	80,175	.06	17.6	3,808	921
Riverside	2,411,536	3,230,248	2.34	12.5	153,437	17,030
Sacramento	3,121,589	4,421,788	3.20	9.2	210,035	17,960
San Benito	58,011	88,988	.06	9.3	4,227	611
San Bernardino	2,955,291	4,128,895	2.98	13.5	196,123	21,749
San Diego	6,328,796	9,076,110	6.56	11.2	431,115	47,436
San Francisco	2,964,862	4,787,176	3.46	12.3	227,391	26,399
San Joaquin	1,291,663	1,865,302	1.35	10.7	88,602	7,300
San Luis Obispo	538,933	703,753	.51	13.1	33,428	5,381
San Mateo	2,448,237	3,966,923	2.87	13.2	188,429	16,889
Santa Barbara	1,141,045	1,557,997	1.13	14.9	74,005	10,996
Santa Clara	5,243,717	8,339,629	6.03	15.3	396,132	35,114
Santa Cruz	633,634	849,995	.61	12.0	40,375	6,430
Shasta	518,286	711,737	.51	11.4	33,808	4,176
Sierra	6,032	8,552	.01	5.8	406	137
Siskiyou	136,521	181,823	.13	11.2	8,637	1,676
Solano	688,002	906,920	.66	11.4	43,079	4,584
Sonoma	1,085,769	1,548,596	1.12	13.4	73,558	9,646
Stanislaus	1,029,716	1,476,015	1.07	13.3	70,111	6,692
Sutter	212,296	291,246	.21	13.2	13,534	1,475
Tehama	132,115	170,265	.12	11.8	8,088	1,189
Trinity	22,732	33,585	.02	18.3	1,595	537
Tulare	860,313	1,221,350	.88	15.3	58,014	6,037
Tuolumne	117,955	159,854	.12	13.9	7,593	1,644
Ventura	1,725,643	2,343,589	1.69	14.3	111,321	12,501
Yolo	422,957	667,872	.48	21.5	31,724	2,712
Yuba	154,763	199,799	.14	14.3	9,490	1,305
Statewide	145,286	3,712,364	2.68	1.9	176,337	4,395
Totals	$90,667,840	$138,350,647	100.00	13.5	$6,571,656 [e]	673,679

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 7, 1979 through Aug. 6, 1980.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Less than .005.

[d] Percentage change not shown for Alpine County because its small base is subject to violent fluctuations that are not regarded as significant.

[e] In addition, the Board assessed state taxes of $111,247,400 and penalties and interest of $17,204,600.

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1979–80

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Alameda County	8,305,243	482,903
Alameda City	2,307,692	196,900
Albany	647,887	45,906
Berkeley	5,202,770	347,714
Emeryville	1,809,219	54,880
Fremont	5,608,236	373,440
Hayward	9,001,708	422,403
Livermore	1,567,442	130,280
Newark	1,256,908	89,962
Oakland	19,075,064	1,170,490
Piedmont	57,231	21,219
Pleasanton	990,701	88,402
San Leandro	8,541,428	359,537
Union City	1,334,774	98,564
Total	65,706,303	3,882,600
Alpine County	68,741	4,020
Amador County	364,637	20,740
Amador City	5,436	433
Ione	69,750	6,228
Jackson	321,878	13,260
Plymouth	17,848	1,574
Sutter Creek	127,859	6,651
Total	907,408	48,886
Butte County	3,194,549	193,793
Biggs	16,997	3,037
Chico	2,285,566	107,960
Gridley	376,111	16,978
Paradise [a]	192,671	42,937
Oroville	1,478,061	55,019
Total	7,543,955	419,724
Calaveras County	604,474	34,450
Angels Camp	210,330	10,780
Total	814,804	45,230
Colusa County	367,052	21,478
Colusa City	498,034	20,600
Williams	106,577	5,661
Total	971,663	47,739
Contra Costa County	7,047,611	397,825
Antioch	1,767,048	119,019
Brentwood	197,183	12,270
Clayton	50,209	7,865
Concord	7,220,619	384,201
El Cerrito	1,143,620	75,392
Hercules [b]	3,416,856	89,112
Lafayette	918,001	64,647
Martinez	631,340	55,931
Moraga	261,510	52,628
Pinole	448,506	39,954
Pittsburg	780,230	72,463
Pleasant Hill	2,218,159	109,543
Richmond	8,315,365	371,461
San Pablo	1,141,432	70,649
Walnut Creek	4,633,539	223,901
Total	40,191,228	2,146,761
Del Norte County	295,975	17,917
Crescent City	539,851	19,562
Total	835,526	37,479
El Dorado County	1,104,645	61,759
Placerville	1,102,767	43,100
South Lake Tahoe	1,694,458	86,165
Total	3,901,870	191,094
Fresno County	8,794,721	520,949
Clovis	1,892,826	107,017
Coalinga	340,860	20,429
Firebaugh	318,733	16,100
Fowler	128,817	7,641
Fresno City	17,304,834	830,659
Huron	85,228	6,909
Kerman	282,289	14,555
Kingsburg	225,102	14,556
Mendota	164,509	12,142
Orange Cove	81,268	8,982
Parlier	80,215	6,770
Reedley	643,821	35,913
Sanger	536,107	34,677
San Joaquin	109,877	5,912
Selma	856,888	264
Total	31,846,095	1,683,475
Glenn County	443,366	24,643
Orland	314,505	15,462
Willows	345,823	17,832
Total	1,103,694	57,937
Humboldt County	1,189,553	69,303
Arcata	702,428	40,710
Blue Lake	9,520	2,443
Eureka	3,275,579	133,336
Ferndale	63,389	4,322
Fortuna	415,533	27,633
Rio Dell	42,806	6,377
Trinidad	22,068	1,223
Total	5,720,896	285,347
Imperial County	1,434,509	80,670
Brawley	779,426	46,200
Calexico	1,032,094	51,659
Calipatria	67,744	6,266
El Centro	1,442,830	82,547
Holtville	103,838	11,139
Imperial City	181,825	10,652
Westmorland	39,898	3,878
Total	5,082,164	293,011
Inyo County	508,096	29,932
Bishop	728,295	27,095
Total	1,236,391	57,027
Kern County	10,720,989	601,800
Arvin	212,560	17,067
Bakersfield	11,954,785	487,240
California City	38,194	5,753
Delano	950,073	53,842
Maricopa	26,129	2,044
McFarland	73,518	10,418
Ridgecrest	898,443	51,732
Shafter	385,391	22,068
Taft	584,174	23,832
Tehachapi	183,783	12,723
Wasco	277,816	23,682
Total	26,305,855	1,312,221
Kings County	1,003,135	58,976
Avenal [a]	27,140	23,960
Corcoran	423,085	3,764
Hanford	1,657,442	21,688
Lemoore	358,714	79,006
Total	3,469,516	187,394
Lake County	1,193,791	69,599
Lakeport	331,323	15,801
Total	1,525,114	85,400
Lassen County	366,756	20,417
Susanville	558,444	28,022
Total	925,200	48,439
Los Angeles County	28,895,222	1,676,811
Alhambra	3,673,957	213,563
Arcadia	3,837,165	186,174
Artesia	814,407	49,531
Avalon	186,514	8,371
Azusa	1,475,200	86,810
Baldwin Park	1,325,858	121,732
Bell	829,790	62,314
Bellflower	2,726,335	168,448
Bell Gardens	880,761	81,114
Beverly Hills	6,969,369	247,010
Bradbury	1,007	1,551
Burbank	6,518,141	332,460
Carson	7,696,772	357,305
Cerritos	5,313,102	230,804
Claremont	736,197	70,786
Commerce	10,282,032	295,209
Compton	2,417,703	207,714
Covina	3,191,614	146,240
Cudahy	459,712	43,057
Culver City	5,814,528	389,319
Downey	5,989,029	325,346
Duarte	462,005	39,352
El Monte	5,018,533	260,338
El Segundo	11,590,898	320,895
Gardena	3,156,335	167,109
Glendale	9,983,930	512,180
Glendora	1,823,566	109,555
Hawaiian Gardens	396,156	28,574
Hawthorne	3,810,498	204,894
Hermosa Beach	867,760	57,106
Hidden Hills	6,655	2,982
Huntington Park	2,430,564	137,331
Industry	7,374,649	197,767
Inglewood	4,264,167	230,068
Irwindale	1,212,465	33,780
La Canada Flintridge	744,574	93,697
La Habra Heights	27,246	16,865
Lakewood	3,688,066	248,359
La Mirada	2,464,698	147,469
Lancaster	3,403,485	206,972
La Puente	1,164,315	88,553
La Verne	695,480	58,415
Lawndale	1,202,009	77,283
Lomita	557,082	51,626
Long Beach	17,312,728	1,122,905
Los Angeles City	171,062,293	13,173,152
Lynwood	1,689,229	123,777
Manhattan Beach	1,319,565	100,661
Maywood	464,530	43,263
Monrovia	1,951,295	108,024
Montebello	3,900,817	197,602
Monterey Park	2,097,692	150,426
Norwalk	4,057,219	269,845
Palmdale	902,744	42,306
Palos Verdes Est.	135,201	29,916
Paramount	2,986,684	142,055
Pasadena	8,458,451	434,663
Pico Rivera	2,583,132	166,954
Pomona	6,265,394	328,107
Rancho Palos Verdes	242,329	114,558
Redondo Beach	2,842,586	191,968
Rolling Hills	4,891	3,797
Rolling Hills Est.	693,003	31,528
Rosemead	1,705,161	119,787
San Dimas	468,590	51,996
San Fernando	1,234,070	63,553
San Gabriel	1,938,195	107,416
San Marino	295,193	33,482
Santa Fe Springs	6,762,510	211,369
Santa Monica	7,235,265	590,272
Sierra Madre	133,637	25,590
Signal Hill	2,436,308	76,375

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1979–80—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Los Angeles County —Continued		
South El Monte	2,419,168	96,456
South Gate	2,943,295	190,304
South Pasadena	650,156	59,921
Temple City	899,863	79,956
Torrance	11,555,163	557,330
Vernon	4,807,963	134,810
Walnut	98,692	24,139
West Covina	4,618,688	260,942
Whittier	4,873,110	263,318
Total	450,424,381	28,365,294
Madera County	1,173,063	66,753
Chowchilla	259,599	15,792
Madera City	1,338,398	71,025
Total	2,771,060	153,570
Marin County	1,166,814	71,538
Belvedere	37,341	5,707
Corte Madera	836,292	38,752
Fairfax	182,522	18,626
Larkspur	622,747	38,988
Mill Valley	671,315	41,425
Novato	1,499,245	111,812
Ross[b]	21,993	5,574
San Anselmo	495,264	37,023
San Rafael	5,123,752	225,409
Sausalito	794,131	33,138
Tiburon	176,572	17,241
Total	11,627,988	645,233
Mariposa County	494,485	30,362
Mendocino County	1,448,502	86,665
Fort Bragg	514,163	23,440
Point Arena	22,121	1,534
Ukiah	1,393,241	59,914
Willits	461,739	20,600
Total	3,839,766	192,153
Merced County	1,650,566	95,168
Atwater	383,148	38,579
Dos Palos	201,439	10,703
Gustine	88,656	7,797
Livingston	108,455	10,898
Los Banos	648,358	35,738
Merced City	2,502,248	129,709
Total	5,582,870	328,592
Modoc County	131,824	7,546
Alturas	254,791	12,458
Total	386,615	20,004
Mono County	671,402	38,510
Monterey County	1,745,060	107,331
Carmel	903,895	33,291
Del Rey Oaks	80,933	5,531
Gonzales	109,607	7,874
Greenfield	128,123	9,689
King City	390,269	20,248
Marina	225,779	47,375
Monterey City	2,792,971	129,414
Pacific Grove	596,563	43,710
Salinas	5,911,596	303,635
Sand City	111,057	3,387
Seaside	1,307,819	105,460
Soledad	113,721	13,351
Total	14,417,323	835,296
Napa County	1,790,925	103,243
Calistoga	121,074	9,703
Napa City	2,223,484	148,429
St. Helena	316,314	16,832
Yountville	86,558	7,740
Total	4,538,355	285,947
Nevada County	1,505,779	88,703
Grass Valley	788,957	31,957
Nevada City	278,701	12,037
Total	2,573,437	132,697
Orange County	8,677,913	495,147
Anaheim	17,322,255	849,936
Brea	2,341,373	106,673
Buena Park	5,908,615	278,330
Costa Mesa	9,853,110	408,446
Cypress	1,579,266	120,084
Fountain Valley	2,273,741	159,752
Fullerton	6,268,596	354,654
Garden Grove	6,327,634	392,586
Huntington Beach	8,221,403	527,499
Irvine	5,802,950	254,823
Laguna Beach	1,105,511	61,034
La Habra	2,567,616	152,308
La Palma	266,512	35,021
Los Alamitos	1,157,266	53,265
Newport Beach	6,095,012	285,140
Orange City	9,225,262	403,403
Placentia	1,180,383	92,584
San Clemente	1,094,935	76,276
San Juan Capistrano	703,034	52,851
Santa Ana	15,[illegible]172	746,786
Seal Beach	[illegible]65,090	68,183
Stanton	1,315,631	78,252
Tustin	3,205,837	147,283
Villa Park	108,055	16,069
Westminster	4,922,467	260,419
Yorba Linda	385,518	59,002
Total	124,036,159	6,535,806
Placer County	2,694,920	155,964
Auburn	920,361	37,776
Colfax	151,350	5,704
Lincoln	218,353	13,249
Rocklin	194,396	16,854
Roseville	2,228,132	104,529
Total	6,407,512	334,076
Plumas County	745,021	44,024
Portola	85,922	5,437
Total	830,943	49,461
Riverside County	7,772,564	454,790
Banning	577,740	39,481
Beaumont	410,787	22,844
Blythe	715,007	32,382
Coachella	435,286	27,133
Corona	2,259,424	128,396
Desert Hot Springs	155,964	12,652
Hemet	1,509,472	79,160
Indian Wells	66,012	4,329
Indio	2,442,385	99,871
Lake Elsinore	435,329	22,107
Norco	315,916	43,234
Palm Desert	829,070	47,335
Palm Springs	3,298,185	148,984
Perris	325,287	20,304
Riverside County —Continued		
Rancho Mirage	696,398	31,228
Riverside City	10,693,847	581,354
San Jacinto	184,318	17,579
Total	33,126,991	1,813,163
Sacramento County	25,527,944	1,492,877
Folsom	446,634	30,949
Galt	267,648	17,036
Isleton	52,356	3,120
Sacramento	19,087,353	1,022,589
Total	45,381,895	2,566,571
San Benito County	241,113	14,062
Hollister	679,195	33,848
San Juan Bautista	44,961	3,401
Total	965,269	51,311
San Bernardino County	8,730,002	506,766
Adelanto	48,160	5,706
Barstow	1,437,887	72,474
Chino	1,349,115	103,224
Colton	1,495,426	78,916
Fontana	1,499,260	90,433
Grand Terrace	197,476	23,705
Loma Linda	264,707	28,023
Montclair	2,945,092	120,330
Needles	279,951	15,105
Ontario	4,088,468	245,612
Rancho Cucamonga	1,469,817	127,540
Redlands	1,939,931	121,141
Rialto	1,536,938	100,394
San Bernardino	10,654,581	486,329
Upland	2,351,194	141,975
Victorville	1,768,821	71,971
Total	42,056,826	2,339,644
San Diego County	9,997,421	575,594
Carlsbad	2,959,521	135,057
Chula Vista	3,817,801	248,837
Coronado	516,333	55,438
Del Mar	215,993	15,836
El Cajon	6,513,246	308,455
Escondido	5,799,525	268,807
Imperial Beach	308,987	46,860
La Mesa	3,610,529	197,457
Lemon Grove	965,321	78,657
National City	4,037,799	201,306
Oceanside	2,520,835	200,986
San Diego City	48,382,815	2,808,223
San Marcos	1,106,679	54,579
Vista	1,215,936	93,614
Total	91,968,741	5,289,706
City and County of San Francisco	48,121,234	2,837,920
San Joaquin County	4,450,143	266,761
Escalon	274,225	12,755
Lodi	2,258,576	121,667
Manteca	1,175,815	71,546
Ripon	152,045	10,061
Stockton	10,078,607	514,579
Tracy	703,123	48,705
Total	19,092,494	1,046,074

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1979–80—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
San Luis Obispo County [c]	1,653,282	109,384
Arroyo Grande	518,044	33,043
Atascadero [a]	369,160	41,555
Grover City	234,564	38,642
Morro Bay	506,507	30,979
Paso Robles	863,633	30,263
Pismo Beach	283,834	17,091
San Luis Obispo	2,682,046	135,443
Total	7,146,072	436,400
San Mateo County	5,779,453	329,376
Atherton	20,502	15,236
Belmont	677,387	64,099
Brisbane	820,248	27,157
Burlingame	3,798,942	158,776
Colma	1,085,997	30,660
Daly City	3,484,532	227,364
Foster City	542,040	56,951
Half Moon Bay	292,084	19,915
Hillsborough	23,229	16,355
Menlo Park	1,680,759	94,576
Millbrae	1,143,275	69,774
Pacifica	646,224	87,676
Portola Valley	37,181	10,063
Redwood City	4,123,163	213,660
San Bruno	2,425,445	135,713
San Carlos	2,418,986	113,180
San Mateo	5,562,891	294,579
S. San Francisco	5,122,534	296,275
Woodside	95,432	12,098
Total	39,800,304	2,203,485
Santa Barbara County	4,070,879	238,764
Carpinteria	411,067	29,441
Guadalupe	78,151	7,983
Lompoc	1,050,241	75,908
Santa Barbara City	5,371,345	305,785
Santa Maria	3,715,458	164,860
Total	15,697,141	822,741
Santa Clara County	10,236,474	590,628
Campbell	3,087,128	137,274
Cupertino	3,294,790	154,980
Gilroy	1,238,192	69,747
Los Altos	1,151,752	82,879
Los Altos Hills	52,280	14,821
Los Gatos	1,882,279	97,241
Milpitas	1,350,242	99,973
Monte Sereno	394	6,063
Morgan Hill	638,108	46,490
Mountain View	5,370,641	259,487
Palo Alto	6,091,736	276,304
San Jose	29,851,679	1,894,635
Santa Clara City	11,818,846	481,258
Saratoga	421,008	65,824
Sunnyvale	7,789,451	395,677
Total	84,205,002	4,673,211
Santa Cruz County	2,419,913	136,167
Capitola	937,493	40,879
Santa Cruz	3,125,024	157,043
Scotts Valley	431,683	23,895
Watsonville	1,654,379	84,272
Total	8,568,492	444,256
Shasta County	1,736,997	101,883
Anderson	370,979	22,265
Redding	5,288,198	223,435
Total	7,396,174	347,583
Sierra County	50,400	3,112
Loyalton	35,009	2,748
Total	85,409	5,860
Siskiyou County	437,987	24,871
Dorris	20,248	2,147
Dunsmuir	83,195	6,509
Etna	30,137	1,975
Fort Jones	40,184	2,031
Montague	38,042	2,651
Mount Shasta	243,045	10,877
Tulelake	62,762	3,289
Weed	175,414	10,287
Yreka	729,852	30,556
Total	1,860,866	95,193
Solano County	548,545	32,406
Benicia	481,209	34,958
Dixon	363,542	22,151
Fairfield	2,485,547	167,617
Rio Vista	369,452	15,784
Suisun	205,520	24,060
Vacaville	1,435,909	110,993
Vallejo	3,256,248	227,214
Total	9,145,972	635,183
Sonoma County	5,528,716	323,749
Cloverdale	169,629	11,498
Cotati	272,415	12,452
Healdsburg	851,357	35,760
Petaluma	1,740,806	105,693
Rohnert Park	616,566	52,844
Santa Rosa	5,517,105	284,398
Sebastopol	453,511	21,201
Sonoma City	462,318	22,465
Total	15,612,423	870,060
Stanislaus County	4,491,349	259,787
Ceres	770,440	40,457
Hughson	96,816	7,522
Modesto	6,935,411	369,627
Newman	159,855	9,203
Oakdale	590,766	28,986
Patterson	215,479	13,143
Riverbank	158,678	12,797
Turlock	1,682,348	87,574
Waterford	70,503	6,328
Total	15,101,645	835,494
Sutter County	1,020,797	60,478
Live Oak	87,086	7,510
Yuba City	1,877,725	82,130
Total	2,985,608	150,118
Tehama County	561,081	32,883
Corning	373,660	18,160
Red Bluff	797,987	38,642
Tehama City	1,938	708
Total	1,734,666	90,393
Trinity County	335,578	19,980
Tulare County	3,239,798	188,981
Dinuba	400,795	28,458
Exeter	196,075	14,926
Farmersville	78,879	10,872
Lindsay	330,228	21,544
Porterville	1,382,069	70,705
Tulare	1,548,925	79,489
Visalia	5,202,129	225,302
Woodlake	100,187	10,010
Total	12,479,015	650,257
Tuolumne County	1,082,960	63,408
Sonora [c]	542,603	22,112
Total	1,625,563	85,520
Ventura County	3,230,306	186,844
Camarillo	1,508,172	100,850
Fillmore	318,353	25,416
Ojai	327,972	20,323
Oxnard	5,491,040	326,496
Port Hueneme	433,173	45,262
San Buenaventura	5,186,884	265,799
Santa Paula	709,685	53,699
Simi Valley	2,064,299	191,535
Thousand Oaks	4,496,308	242,759
Total	23,766,192	1,458,973
Yolo County	3,546,865	203,149
Davis	1,313,787	100,775
Winters	64,992	6,523
Woodland	1,800,974	99,332
Total	6,726,618	409,779
Yuba County	737,898	41,187
Marysville	1,277,328	53,145
Wheatland	28,173	3,432
Total	2,043,399	97,764
Amounts distributed to:		
City and County of San Francisco	48,121,234	2,837,920
Counties other than San Francisco	207,250,726	12,038,796
Cities other than San Francisco	1,108,416,652	64,170,634
Grand totals	1,363,788,612	79,047,350

[a] During the fiscal year, three cities became incorporated: Atascadero was incorporated in July 1979; its sales tax ordinance became effective October 1; distributions are for seven months. Incorporation took place in September in Avenal and November in Paradise. Their sales tax ordinances took effect January 1, 1980. Distributions are for four months only.

[b] If overpayments or misallocations had not been made in the prior fiscal year, the distributions in 1979–80 to the following jurisdictions would have been higher by the amounts shown: Hercules, $356,237; and Ross, $982.

[c] Distributions during 1979–80 include the following overpayments which will be deducted from 1980–81 allocations: San Luis Obispo County, $6,295; and Sonora, $3,099.

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1979–80

County	Revenue distributed[b]	County	Revenue distributed[b]	County	Revenue distributed[b]
1	2	1	2	1	2
Alameda	16,372,396	Marin	2,901,669	San Mateo	9,956,832
Alpine	17,287	Mariposa	123,251	Santa Barbara	3,928,267
Amador	227,666	Mendocino	959,383	Santa Clara	21,043,296
Butte	1,889,992	Merced	1,392,923	Santa Cruz	2,143,165
Calaveras	203,507	Modoc	96,745	Shasta	1,854,798
Colusa	244,154	Mono	167,940	Sierra	21,847
Contra Costa	10,154,579	Monterey	3,600,630	Siskiyou	467,152
Del Norte	208,863	Napa	1,134,609	Solano	2,283,622
El Dorado	971,570	Nevada	644,617	Sonoma	3,902,027
Fresno	7,935,789	Orange	30,952,712	Stanislaus	3,768,777
Glenn	275,635	Placer	1,600,060	Sutter	745,928
Humboldt	1,424,953	Plumas	207,852	Tehama	432,579
Imperial	1,268,696	Riverside	8,283,488	Trinity	84,442
Inyo	309,066	Sacramento	11,344,652	Tulare	3,113,263
Kern	6,566,556	San Benito	243,042	Tuolumne	406,540
Kings	867,262	San Bernardino	10,509,399	Ventura	5,935,023
Lake	379,321	San Diego	22,997,881	Yolo	1,680,253
Lassen	232,766	San Francisco	12,038,769	Yuba	510,189
Los Angeles	112,636,446	San Joaquin	4,780,140		
Madera	692,385	San Luis Obispo	1,784,916	Total	340,921,557

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $3,802,927 and the Business and Transportation Agency's administrative charge of $997,137.

TABLE 21C—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JUNE 30, 1980

County	City rate[a]	Cities	County	City rate[a]	Cities
1	2	3	1	2	3
Alameda	.95	All cities	Orange	1.00	All cities
Alpine	–	No incorporated cities	Placer	1.00	All cities
Amador	1.00	All cities	Plumas	.95	Portola
Butte	1.00	All cities	Riverside	.99	Norco/Corona
				1.00	All other cities
Calaveras	.95	Angels Camp			
Colusa	1.00	All cities			
Contra Costa	.975	All cities	Sacramento	1.00	All cities
Del Norte	1.00	All cities	San Benito	1.00	All cities
El Dorado	1.00	All cities			
Fresno	.99	Fresno	San Bernardino	1.00	All cities
	1.00	All other cities	San Diego	1.00	All cities
Glenn	1.00	All cities	San Francisco	1.00	–
Humboldt	1.00	All cities	San Joaquin	1.00	Stockton/Tracy/ Manteca/Lodi
Imperial	.95	Calexico			
	.90	All other cities		.95	All other cities
Inyo	1.00	All cities	San Luis Obispo	1.00	All cities
			San Mateo	.95	All cities
Kern	.95	Taft/Wasco	Santa Barbara	1.00	All cities
	.951	Bakersfield	Santa Clara	.91	All cities
	.982	Delano	Santa Cruz	1.00	All cities
	.99	Shafter			
	1.00	All other cities	Shasta	1.00	All cities
			Sierra	.95	Loyalton
Kings	.95	Hanford	Siskiyou	1.00	All cities
	.96	All other cities			
Lake	1.00	All cities	Solano	1.00	All cities
Lassen	.95	Susanville			
Los Angeles	1.00	All cities	Sonoma	.95	All cities
			Stanislaus	.93	Modesto/Turlock
				1.00	All other cities
Madera	1.00	All cities			
Marin	1.00	All cities			
Mariposa	–	No incorporated cities	Sutter	1.00	All cities
Mendocino	1.00	All cities			
Merced	.925	Merced	Tehama	1.00	Tehama
	.95	Los Banos		.90	All other cities
	1.00	All other cities	Trinity	–	No incorporated cities
			Tulare	.95	All cities
Modoc	.90	Alturas	Tuolumne	.95	Sonora
Mono	–	No incorporated cities	Ventura	1.00	Ojai
Monterey	1.00	All cities		.967	All other cities
Napa	.855	All cities	Yolo	1.00	All cities
Nevada	1.00	All cities	Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

TABLE 22—LOCAL SALES TAXES, DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1979–80

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]				
		To counties [c]	To cities	Total		
1	2	3	4	5	6	7
1979–80	$340,922	$207,251	$1,156,538	$1,704,711	.82	$14,181
1978–79	296,051	177,614	1,005,785	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	559,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,986	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,652
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,162
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,145 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $3,090,064 in 1979–80.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,225,750 discussed in the previous footnote.

[m] Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table 2, footnote e.) The BARTD figures above include MTC allocations. For 1979–80, BARTD received direct allocations of $53,336,000 and $21,500,000 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $12,100,000; San Francisco Municipal Railway, $5,900,000 and BARTD $3,500,000 (in addition to its $53,336,000, for a total of $56,836,000).

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ½ of one percent as follows:

[r] Revised

Fiscal Year	BARTD [m]	SCRTD	SCCTD	SCMTD	Administrative Charge
1979–80	$74,836,000	$171	$40,702,000	$4,190,000	$1,911,000
1978–79	50,740,000 [r]	172	35,386,000	1,037,000	1,587,000
1977–78	50,704,000	-0-	29,976,000	—	1,404,000
1976–77	47,368,000	1,000	12,807,000	—	985,817
1975–76	42,230,000	204,000	—	—	713,051
1974–75	30,622,000	401,000	—	—	668,594
1973–74	35,386,000	287,000	—	—	599,000
1972–73	31,055,000	288,000	—	—	585,000
1971–72	27,770,000	555,000	—	—	577,000
1970–71	24,880,000	35,980,000	—	—	1,333,000
1969–70	1,570,000	—	—	—	298,000

TABLE 23—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1979–80

Fiscal year	Gasoline				Jet fuel tax	
	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1979–80	11,316,801	$800,012	$23,875	94	50,225	$988
1978–79	11,916,829	835,947 [r]	21,716	77	46,422	915 [r]
1977–78	11,571,520	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,805	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	46	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,939,785	641,268 [c]	13,437	52	8,057 [d]	163 [d]
1968–69	8,494,055	601,783 [c]	14,596	53	—	—
1967–68	8,057,505	564,038	14,012	63	—	—
1966–67	7,649,738	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [c]	17,234	63	—	—
1964–65	7,041,337	510,954 [e]	15,981	61	—	—
1963–64	6,732,890	454,126 [f]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,532	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [g]	337,588 [g]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,693	307,038	20,531	94	—	—
1956–57	4,932,752	295,982	20,736	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	255,305 [h]	26,068	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	592,832 [i]	—	107		
1940–45	9,167,652	275,029	—	122	—	—
1930–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,593	139,925 [j]	—	82	—	—
1923–25	1,259,474	24,938	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1980 there were 81 fully-licensed distributors who incurred no tax liabilities during the year.

[c] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $15.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[d] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[e] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $18.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,106,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[f] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,267 including interest and penalties.

[g] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 25.)

[h] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[i] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $680,000, including interest and penalties.

[j] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[r] Revised.

TABLE 24—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1978–79 AND 1979–80

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1978–79	1979–80	1978–79	1979–80
1	2	3	4	5
Allied Petroleum	3,041	3,394	$213	$238
Aminoil	146,097	92,436	10,227	6,470
Amorient	18,256	8,024	1,278	562
Atlantic Richfield Company	1,396,177	1,358,944	97,732	95,126
Bath, Daryl	246	217	17	15
Beacon Oil Company	229,336	219,717	16,054	15,380
Cal-Tex Petroleum	–	384	–	27
Chevron U.S.A. (Formerly Standard Oil Company)	1,991,958	2,052,202	139,437	143,654
Douglas Oil Company of California	330,396	235,960	23,128	16,517
Edgington Oil Company	23,705	18,813	1,659	1,317
Eureka Fuel Company	552	1,200	39	84
Exxon Corporation	554,604	600,438	38,822	42,031
Field, James	–	420	–	29
Fletcher Oil and Refining	120,971	105,219	8,468	7,365
Fredrickson Tank Lines	189	688	13	48
Getty Refining and Marketing (Formerly Mohawk Petroleum)	273,895	237,413	19,173	16,619
Golden Eagle Refining Company	94,209	56,177	6,595	3,932
Golden Gate Petroleum Company	656	1,534	46	107
Gulf Oil Corporation	353,179	299,023	24,723	20,932
Humboldt Oil	308	293	22	21
Husky Oil Co.	526	4,192	37	293
Kern County Refinery	62,282	47,972	4,360	3,358
Lee Chambers Inc.	–	375	–	26
Lockheed Air Terminal	1,611	1,415	113	99
MacMillan Ring Free Oil Company	43,901	33,107	3,073	2,317
Marlex Oil and Refining (Formerly Basin Petroleum)	13,743	25,779	962	1,805
Martinoil Company	–	516	–	36
Merrilees, Anna	329	280	23	20
Milovich Bros.	1,575	859	110	60
Mobil Oil Corporation	976,757	995,451	68,373	69,682
Newhall Refining Company	39,825	41,092	2,788	2,876
Norris Supply Company Inc.	890	536	62	38
Pacific Refining	197,404	131,267	13,818	9,189
Peterson, Roger	–	704	–	49
Phillips Petroleum	264	6,574	18	460
Powerine Oil Company	235,353	216,787	16,475	15,175
R and M Petroleum	522	484	37	34
Sabre Refining Company	11,855	20,378	830	1,426
Shell Oil Company	1,634,141	1,566,939	114,390	109,686
Texaco, Inc.	758,745	702,830	53,112	49,198
Time Oil Company	56,280	40,038	3,940	2,803
Tosco Corporation (Formerly Lion Oil Company)	618,650	616,949	43,305	43,186
UCO Terminals	82,976	37,707	5,808	2,639
Union Oil Co.	1,366,330	1,313,394	95,678	91,938
U.S.A. Petrochem	117,136	95,189	8,200	6,663
Western Fuel Co.	1,071	758	75	53
Western Mountain	470	875	33	61
Wickland Oil	1,218	1,358	85	95
World Oil Corporation (Formerly Sunland Refining)	128,158	115,388	8,971	8,077
45 Other Distributors each paying less than $15,000 in 1978–80	23,608	3,966	1,651	280
Adjustments [c]	2,934	1,146	1,974	7,916
Totals	11,916,829	11,316,801	$835,947	$800,012

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $21,716,000 in 1978–79 and $24,451,000 in 1979–80 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

TABLE 25—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1979–80

Fiscal year	Taxable distributions (in thousands of gallons) Diesel	Total tax [a] (in thousands)	Self-assessed taxes (in thousands) Diesel	Self-assessed taxes (in thousands) LPG [l]	Active permits on December 31 Users	Active permits on December 31 Vendors	Tax paid at reduced rate by transit districts (in thousands) [k]
1	2	3	4	5	6	7	8
1979–80	1,164,375	$80,144	$77,557	$2,180	46,324	2,132	$637
1978–79	1,104,046	75,530	73,545	1,611	42,971 [r]	1,916	624
1977–78	987,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,497	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,961	45,155	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511 [b]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597 [b]	774	22,430	1,376	312 [c]
1967–68	477,249	34,375	33,407	814	20,843	1,360	–
1966–67	435,900	31,480	30,513	829	19,507	1,315	–
1965–66	419,286	31,214	30,054 [d]	1,028 [d,e]	18,038	1,256	–
1964–65	387,014	29,465	28,098 [d]	1,211 [d]	17,391	1,216	–
1963–64	358,995	26,532	25,129	1,274 [f]	16,238	1,217	–
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	–
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	–
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	–
1959–60	280,157	20,837	19,609	1,094 [g]	12,451	1,109	–
1958–59	267,247	18,812	18,694	–	10,192	801	–
1957–58	246,711	17,454	17,270	–	9,807	773	–
1956–57	237,481	16,826	16,624	–	9,530	862	–
1955–56	226,448	16,018	15,850	–	8,877	825	
1954–55	202,406	14,323	14,172	–	8,182	853	–
1953–54	183,043	12,873	12,738 [h]	–	7,441	751 [i]	–
1952–53	174,026	7,946	7,831	–	6,197	–	–
1951–52	150,683	6,885	6,780	–	5,166	–	–
1950–51	131,562	6,023	5,920	–	4,244	–	–
1945–50	406,708	16,527	16,238 [j]	–	2,610	–	–
1940–45	205,397	6,235	6,162	–	1,051	–	–
1937–40	38,625	1,178	1,159	–	n.a.	–	–

[a] Includes interest and penalties which amounted to $402,716 during the 1979–80 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $837,000 during the 1969–70 year.

[c] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[d] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[e] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[f] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[g] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[h] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[i] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[j] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[k] These amounts are also included in columns 3 and 4.

[l] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $1,141,000 during 1979–80, 52.3 percent of LPG taxes.

n.a. Not available.

[r] Revised.

TABLE 26—TRANSPORTATION GROSS RECEIPTS TAX STATISTICS

This tax was repealed effective July 1, 1973. For historical data see the Board's 1975–76 Annual Report.

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1979–80 [a]

(In thousands of dollars)

Fiscal year	Beer	Wine			Distilled spirits	Total
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1979–80	$23,300	$836	$175	$1,973	$113,311	$139,596 [b]
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	735	210	1,643	111,194	134,753
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	262	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,963
1968–69	12,743	316	286	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,442	169	345	313	45,283	55,552
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,925
1956–57	3,847	105	331	181	34,784	39,248
1955–56	3,803	104	326	151 [e]	31,518 [f]	35,902
1954–55	3,656	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91	40,276	50,016
1932–35	2,397	—	479 [i]	—	—	2,876

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] Additional detail for 1979–80 are as follows:

	Beer and wine	Distilled spirits
Collections based on audits	$155,932	$446,190
Transactions omitted from table:		
Refunds	207,731	18,411
Interest and penalties	−87,054	−29,412

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,009,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1955, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,120,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Includes all types of wines. The tax rate was two cents per gallon on all wine and the different types were not reported separately.

TABLE 28—APPARENT CONSUMPTION[a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1979–80

(In thousands of gallons)

Fiscal year	Beer[b]	Wine			Total wine consumption	Distilled spirits
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1979–80	581,381	83,621	8,745	6,617	98,983	56,656
1978–79	564,280[r]	81,495	9,507	6,175	97,177	56,665
1977–78	528,794	75,538	10,489	5,475	91,502	55,597
1976–77	506,634	68,965	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	298,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,835	21,790	16,131	1,629	39,550	36,102
1963–64	261,145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,239	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951: in 1979–80 this totaled 4,429,549 gallons. Prior to July 1951, such distributions were taxable. Effective January 1, 1980, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1979–80

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1979–80	22,911,000	25.38	4.32	2.47
1978–79	22,507,000 [r]	24.72	4.32	2.52
1977–78	22,095,000	23.95	4.14	2.52
1976–77	21,718,000	23.30	3.88	2.43
1975–76	21,359,000	22.10	3.84	2.47
1974–75	20,998,000	21.94	3.63	2.42
1973–74	20,783,000	20.74	3.54	2.42
1972–73	20,533,000	19.63	3.57	2.35
1971–72	20,414,000	19.38	3.27	2.32
1970–71	20,168,000	17.69	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.98
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces.
[r] Revised.

TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1979–80

(In thousands of dollars)

Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties
1	2	3	4	5	6
1979–80	272,053	2,327	274,380	1,645	81,616
1978–79	268,816	2,303	271,805	1,369	80,645
1977–78	274,102	2,348	276,005	1,239	82,231
1976–77	269,385	2,309	272,015	832	80,815
1975–76	268,610	2,303	270,913	927	80,583
1974–75	261,975	2,246	264,346	745	78,593
1973–74	258,921	2,220	262,688	632	77,676
1972–73	253,602	2,174	255,774	626	76,081
1971–72	246,351	2,112	248,181	677	73,904
1970–71	239,195	2,051	241,870	552	71,764
1969–70	235,901	2,022	238,835	455	70,762
1968–69	237,159	2,032	239,376	492	71,140
1967–68	205,985 [d,e]	1,786	209,654	356	52,059 [d]
1966–67	75,597	1,543	77,130	136	–
1965–66	74,578	1,522	76,334	92	–
1964–65	74,477	1,520	75,948	56	–
1963–64	71,822	1,468	73,391	77	–
1962–63	70,194	1,437	71,836	79	–
1961–62	66,054	1,391	69,557	58	–
1960–61	66,024 [g]	1,675 [f]	67,372	76	–
1959–60	64,805 [h]	767 [i]	64,805	27	–

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1980 this amounted to $17,989,780 and on June 30, 1979, it amounted to $19,542,221.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967; and $4,889,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $334,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1979–80

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1979–80	2,873	2,728	145	125.4
1978–79	2,875 [r]	2,718	157 [r]	127.7 [r]
1977–78	2,926	2,760	166	132.4
1976–77	2,892	2,720	172	133.2
1975–76	2,896	2,709	187	135.6
1974–75	2,836	2,643	193	134.7
1973–74	2,834	2,627	207	136.4
1972–73	2,755	2,546	209	133.6
1971–72	2,714	2,499	215	132.9
1970–71	2,630	2,419	211	130.4
1969–70	2,588	2,387	201	129.9
1968–69	2,600	2,393	207	132.2
1967–68	2,688	2,475	213	138.8
1966–67	2,735	2,571	164	143.6
1965–66	2,703	2,544	159	144.8
1964–65	2,677	2,532	145	146.6
1963–64	2,577	2,446	131	145.0
1962–63	2,534	2,398	136	147.2
1961–62	2,449	2,319	130	147.2
1960–61	2,370	2,246	124	147.1
1959–60	2,176	2,071	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.

[r] Revised.

TABLE 31—NET 1979 TAXABLE INSURANCE PREMIUMS AND NET TAXES ASSESSED IN 1980, BY COMPANY

Name of company	Net taxable premiums (in thousands)	Net tax assessed
1	2	3
FIRE AND CASUALTY INSURERS		
Aetna Casualty & Surety Company	$253,340	$5,953,485
Aetna Insurance Company	66,230	1,556,415
Allianz Insurance Company	51,652	1,213,833
Allstate Insurance Company	626,368	14,719,650
American Motorists Insurance Company	47,483	1,115,854
American National Fire Insurance Company	55,207	1,297,375
Argonaut Insurance Company	74,148	1,742,489
Associated Indemnity Corporation	171,728	4,035,614
Cal-Farm Insurance Company	71,466	1,679,445
California Casualty Indemnity Exchange	59,528	1,398,898
California Casualty Insurance Company	35,335	830,374
California State Automobile Association Inter-insurance Bureau	293,991	6,906,777
Canadian Indemnity Company	34,998	822,458
Central National Insurance Company of Omaha	60,311	1,417,318
Civil Service Employees Insurance Company	34,592	812,916
Commercial Union Insurance Company	42,406	996,546
Continental Casualty Company	63,463	1,491,388
Continental Insurance Company	152,938	3,594,048
Employers Insurance of Wausau A Mutual Company	93,697	2,201,883
Farmers Insurance Exchange	432,019	10,152,449
Federal Insurance Company	78,506	1,844,891
Fire Insurance Exchange	122,714	2,883,770
Fireman's Fund Insurance Company	264,986	6,227,166
Fremont Indemnity Company	175,144	4,115,890
Government Employees Insurance Company	43,141	1,013,812
Great American Insurance Company	32,386	847,541
Hartford Accident and Indemnity Company	150,839	3,544,725
Hartford Fire Insurance Company	53,372	1,254,244
Home Indemnity Company	44,585	1,047,852
Home Insurance Company	41,361	972,084
Industrial Indemnity Company	232,747	5,469,566
Industrial Insurance Company	41,260	969,607
Insurance Company of North America	204,557	4,807,095
Insurance Company of the State of Pennsylvania	47,019	1,104,952
Inter-insurance Exchange of the Automobile Club of S. Cal.	445,686	10,473,627
Liberty Mutual Fire Insurance Company	139,832	3,286,051
Liberty Mutual Insurance Company	51,997	1,221,933
Lumbermens Mutual Casualty Company	49,065	1,153,028
Mercury Casualty Company	64,194	1,508,569
Mid-Century Insurance Company	192,806	4,530,949
Mission Insurance Company	228,309	5,365,257
National American Insurance Company of California	37,971	892,328
National Union Fire Insurance Co. of Pitts., Penn.	109,494	2,573,116
Norcal Mutual Insurance Company	35,755	840,248
Northbrook Excess and Surplus Insurance Company	34,785	817,439
Ohio Casualty Insurance Company	68,038	1,743,749
Pacific Employers Insurance Company	112,937	2,654,024
Pacific Indemnity Company	60,472	1,421,098
Premier Insurance Company	45,338	1,065,444
Prudential Property and Casualty Insurance Company	37,641	884,558
Republic Indemnity Company of America	58,008	1,363,193
Royal Globe Insurance Company	64,110	1,506,580
SAFECO Insurance Company of America	135,627	3,187,243
St. Paul Fire & Marine Insurance Company	77,240	1,815,143
Southern California Physicians Insurance Exchange	34,167	802,919
State Compensation Insurance Fund	361,845	8,503,358
State Farm General Insurance Company	43,505	1,022,367
State Farm Mutual Automobile Insurance Company	649,763	15,269,441
Transamerica Insurance Company	70,130	1,648,044
Transportation Insurance Company	34,935	820,981
Travelers Indemnity Company	160,906	3,781,299
Truck Insurance Exchange	199,558	4,689,611
Twentieth Century Insurance Company	63,222	1,485,710
Unigard Mutual Insurance Company	59,292	1,393,358
United Pacific Insurance Company	75,027	1,763,126
United Services Automobile Association	77,019	1,809,946
United States Fidelity and Guaranty Company	101,968	2,396,244
West American Insurance Company	85,259	2,003,580
Western Employers Insurance Company	54,791	1,287,600
Zenith Insurance Company	71,381	1,677,456
Zurich Insurance Company	35,846	842,392
427 other fire and casualty insurers [a]	2,809,560	69,040,110
Totals for fire and casualty insurers	$11,380,996	$268,585,529

[a] Each having a gross premiums tax of less than $800,000.

TABLE 31—NET 1979 TAXABLE INSURANCE PREMIUMS AND NET TAXES ASSESSED IN 1980, BY COMPANY—Concluded

Name of company	Net taxable premiums (in thousands)	Net tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$302,332	$7,008,240
Allstate Life Insurance Company	33,228	736,467
American Bankers Life Assurance Company of Florida	19,362	439,489
American National Insurance Company	51,053	1,286,451
Bankers Life Company	62,041	1,260,764
Bankers United Life Assurance Company	20,050	462,874
Beneficial Standard Life Insurance Company	18,780	352,130
Cal-Farm Life Insurance Company	39,452	907,804
California Life Insurance Company	18,855	443,092
California Western States Life Insurance Company	116,706	2,706,834
Central National Life Insurance Co. of Omaha	19,532	458,990
Certified Life Insurance Company of California	35,637	824,053
Combined Insurance Company of America	22,174	521,101
Connecticut General Life Insurance Company	257,167	5,881,764
Connecticut Mutual Life Insurance Company	41,885	849,715
Continental Assurance Company	49,084	1,106,000
Credit Life Insurance Company	30,248	753,449
Crown Life Insurance Company	68,353	1,598,216
CUNA Mutual Insurance Society	17,181	380,880
Employee Benefits Insurance Company	76,557	1,799,082
Equitable Life Assurance Society of the United States	291,370	6,180,977
Family Life Insurance Company	18,807	441,973
Farmers New World Life Insurance Company	32,934	753,918
Fireman's Fund American Life Insurance Company	30,412	635,238
First Colony Life Insurance Company	18,530	424,797
First Farwest Life Insurance Company	19,065	448,020
General American Life Insurance Company	45,832	1,050,847
Great-West Life Assurance Company	81,573	1,675,883
Guardian Life Insurance Company of America	29,393	647,828
Home Life Insurance Company	25,707	612,733
John Hancock Mutual Life Insurance Company	119,212	2,389,265
Life Insurance Company of North America	48,046	1,124,743
Lincoln National Life Insurance Company	86,803	1,969,188
Manufacturers Life Insurance Company	49,588	1,073,478
Massachusetts Indemnity and Life Insurance Company	15,150	355,592
Massachusetts Mutual Life Insurance Company	89,143	1,917,454
Metropolitan Life Insurance Company	394,480	8,839,208
Minnesota Mutual Life Insurance Company	17,778	415,502
Mutual Benefit Life Insurance Company	57,549	1,275,782
Mutual Life Insurance Company of New York	69,293	1,503,255
Mutual of Omaha Insurance Company	46,131	1,084,069
National Home Life Assurance Company	21,554	505,193
National Life & Accident Insurance Company	33,246	772,067
New England Mutual Life Insurance Company	47,940	977,295
New York Life Insurance Company	352,973	6,777,294
Northwestern Mutual Life Insurance Company	55,472	1,254,096
Northwestern National Life Insurance Company	18,929	444,392
Occidental Life Insurance Company of California	382,762	8,889,073
Pacific Mutual Life Insurance Company	264,605	5,730,851
Pacific Standard Life Insurance Company	15,967	366,090
Paul Revere Life Insurance Company	17,764	409,482
Penn Mutual Life Insurance Company	33,388	756,403
Phoenix Mutual Life Insurance Company	40,370	923,893
Pilot Life Insurance Company	18,109	453,532
Provident Life & Accident Insurance Company	66,301	1,522,406
Provident Mutual Life Insurance Co. of Philadelphia	18,067	392,148
Prudential Insurance Company of America	676,687	13,172,730
Republic National Life Insurance Company	66,280	1,543,524
SAFECO Life Insurance Company	18,339	425,670
Security Benefit Life Insurance Company	37,068	817,521
Standard Insurance Company	45,516	1,050,094
State Farm Life Insurance Company	46,749	1,011,007
State Mutual Life Assurance Company of America	25,952	535,114
Travelers Insurance Company	254,508	5,615,440
Union Labor Life Insurance Company	92,019	2,160,937
Union-Mutual Stock Life Insurance Company of America	20,762	486,849
United Benefit Life Insurance Company	54,689	1,240,975
United Insurance Company of America	19,020	446,979
USLIFE Life Insurance Company of California	19,656	439,793
Washington National Insurance Company	38,485	875,755
West Coast Life Insurance Company	21,013	483,528
407 other life insurers [c]	$1,205,003	$27,701,942
Totals for life insurers	$6,915,686	$152,821,218[b]
Totals for fire and casualty insurers	11,380,996	268,585,529[b]
Totals for title insurers	327,726	7,730,764[b]
Totals for all insurers	$18,624,408	$429,137,511[d]

[b] Retaliatory taxes of $1,131,786 for fire and casualty insurers, $983,266 for life insurers and $29,206 for title insurers have been included in the assessments by company.

[c] Each having total tax of less than $330,000.

[d] Includes retaliatory tax of $2,144,200.

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1979 AND 1980 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1978 business		Assessments on 1979 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	628	$245,981,975	664	$268,585,529	9.2
Life	573	142,822,221	582	152,821,218	7.0
Title	22	7,081,696	22	7,730,764	9.2
Subtotals	1,223 [b]	395,885,892	1,268 [c]	429,137,511	8.4
Ocean marine	90	144,456	88	100,375	−30.5
Totals	1,313 [b]	$396,030,348	1,356 [c]	$429,237,886	8.4
Adjustments:					
Deficiency assessments	125	1,704,537	116	3,260,268	–
Refunds and cancellations	141	844,298	172	3,177,189	–
Net adjustments	266	860,239	288	83,079	–
Grand totals	1,579 [b]	$396,890,587	1,644 [c]	$429,320,965	9.8

[a] Includes self-assessments and board-assessments against companies licensed to write insurance on California risks.

[b] Includes 117 returns that reported no premiums tax liability and 158 retaliatory tax assessments totaling $1,984,743.

[c] Includes 121 returns that reported no premiums tax liability and 170 retaliatory tax assessments totaling $2,144,200.

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND NET TAXES ASSESSED, 1911–15 TO 1980 [a]

Year of assessment	Number of assessments [b]	Gross premiums tax rate (percent)	Gross taxes assessed [c]	Local property tax credits allowed	Taxes assessed on underwriting profits: ocean marine [d]	Net taxes assessed [e]
1	2	3	4	5	6	7
1980	1,065 [e]	2.35	$439,220,560	– [k]	$100,375	$439,320,965
1979	1,038	2.35	396,746,131	– [k]	144,456	396,890,587
1978	1,008	2.35	363,448,942	– [k]	74,843	363,523,785
1977	984	2.35	299,589,171	– [k]	37,018	299,626,189
1976	967	2.35	248,384,123	$17,840,567	23,124	230,566,680
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,308	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [f]	4,979,745	38,516	85,532,580 [f]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [g]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1955	809	2.35	40,810,154	1,781,071	75,118	39,104,201
1954	803	2.35	40,040,521	1,601,342	61,743	38,500,922
1953	796	2.35	35,634,480	1,393,689	83,909	34,324,700
1952	782	2.35	30,384,576 [h]	1,331,108	123,333	29,176,801 [h]
1951	781	2.35	26,404,608	1,266,639	144,753	25,282,722
1946–1950	3,790	[i]	101,734,147	4,178,399	454,383	98,010,131
1941–1945	3,400	[i]	58,111,232	5,777,662	139,007	52,472,577
1936–1940	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–1935	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–1930	2,834	2.60	33,143,423	3,031,155	–	30,112,268
1921–1925	1,209	2.60	20,170,810	1,460,622	–	18,710,188
1916–1920	1,664	2.00	7,257,013	272,834	–	6,984,179
1911–1915	1,490	[j]	3,893,525	169,848	–	3,723,677

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 170 retaliatory tax assessments and 501 returns that showed no tax liability, of which 121 were for life, casualty, and title insurers, and 380 for ocean marine insurers.

[f] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[g] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[h] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[i] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[j] The gross premiums tax rate was 1.50 percent during 1911 and 1912, 1.75 percent in the following two years, and 2.00 percent in 1915.

[k] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976, see Chapter 938, Statutes of 1975.

TABLE 34—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1979–80

(In thousands of dollars)

Fiscal year	Federal taxes [a]	State taxes other than disability insurance [b]	Local taxes and ad valorem assessments [c]	Total
1	2	3	4	5
1979–80	n.a.	20,558,664	8,350,000 [d]	n.a.
1978–79	49,558,113	17,781,295 [r]	7,515,000 [r]	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [e]	13,873,801	11,442,000	63,312,844
1975–76	38,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,086,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,098,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,865	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,489,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,356,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,558,227	1,116,063	869,460	5,543,750

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,587,240,735 are included in the figure for 1979–80 but the State's unemployment compensation disability tax, on the other hand, which yielded $724,683,174 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the State as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1, through September 30.

[r] Revised.

State Board of Equalization Field Offices

Out-of-State Business Taxes

Sacramento (Headquarters)
Chicago
Houston
New York

Board Members

Business Tax Field Offices

Property Tax Field Offices

Timber Tax Field Offices

CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

District	Board Members	Office Address	Area Code	Telephone Number
First	GEORGE R. REILLY	350 McAllister St., Room 2056, San Francisco 94102	415	557-1699
Second	ERNEST J. DRONENBURG, JR.	110 West C St., Suite 1709, San Diego 92101	714	237-7844
Third	WILLIAM M. BENNETT	1020 N St., Sacramento 95814	916	445-4081
Fourth	RICHARD NEVINS	333 E. Walnut St., P.O. Bin 77, Pasadena 91109	213	681-3551
SACRAMENTO HEADQUARTERS		**1020 N St., Sacramento 95814**	**916**	**445-6464**

California Cities Business Taxes Field Offices	Office Hours 8-5 Unless Otherwise Listed Below	Office Address	Area Code	Telephone Number
Auburn	8-12 & 1-5 M thru F	550 High St., Suite 3, 95603	916	885-8408
Bakersfield		525 18th St., 93301	805	395-2880
Bishop	8-12 & 1-5 M thru F	407 W. Line St., 93514	714	872-3701
Chico	8-12 & 1-5 M thru F	227 W. Fifth St., 95927	916	342-3603
Covina		233 N. Second Ave., 91723	213	331-6401
Crescent City	8-12 & 1-5 M thru F	422 Second St., 95531	707	464-2321
Downey		11229 Woodruff Ave., 90241	213	773-3480
El Centro	8-12 & 1-5 M thru F	380 N. 8th St., Suite 4, 92243	714	352-3431
El Cerrito	8-12 & 1-5 M thru F	11161 San Pablo Ave., 94530	415	540-2909
Eureka	8-12 & 1-5 M thru F	1656 Union St., Room 119, 95501	707	442-4503
Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hanford	8-12 & 1-5 M thru F	422 N. Douty St., Suite D, 93230	209	584-6631
Hayward	8-12 & 1-5 M thru F	795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Inglewood		630 N. LaBrea Ave., 90302	213	678-8964
Long Beach		4140 Long Beach Blvd., 2nd Floor, 90807	213	636-2466 or 636-1206
Madera	8-12 & 1-5 M thru F	501 North E St., 93637	209	674-2007
Marysville		922 G St., 95901	916	674-4301
Merced	8-12 & 1-5 M thru F	3191 M St., Suite A, 95340	209	383-2831
Modesto		1020 15th Street, Suite E, 95354	209	522-5276
Mt. Shasta	9-12:30 & 1-3:30 M thru F	326 N. Mt. Shasta Blvd., Suite 8, 96067	916	926-4624
Napa	8-12 & 1-5 M thru F	568 Third St., 94558	707	252-2131
Nevada City	8-12 & 1-5 M thru F	301 Broad St., 95959	916	265-4628
Oakland		1111 Jackson St., Room 7072, 94607	415	464-0347
Ontario	8-12 & 1-5 M thru F	320 West G St., Suite 105, 91761	714	983-5969
Oroville	8-12 & 1-5 M thru F	2445 Oro Dam Blvd., Suite 3A, 95965	916	534-2359
Palmdale	8-12 & 1-5 M thru F	37925 N. Sixth St., East, 93550	805	947-8911
Palm Desert	8-12 & 1-5 M thru F	73-900 El Paseo, Suite 3, 92260	714	346-8096
Pasadena		333 E. Walnut St., 91101	213	793-9104
Placerville	8-12 & 1-5 M thru F	100 Forni Rd., Suite 1B, 95667	916	622-1101
Pleasant Hill	8-12 & 1-5 M thru F	395 Civic Dr., Suite D, 94523	415	687-6962
Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
Redding		2135 Akard St., 96099	916	246-6261
Sacramento		1891 Alhambra Blvd., 95816	916	445-4911
Salinas		21 W. Laurel Dr., Suite 59, 93906	408	443-3008
San Bernardino		303 W. Third St., Suite 500, 92401	714	383-4701
San Diego		1350 Front St., Room 5047, 92101	714	237-7289
San Francisco		350 McAllister St., Room 2262, 94102	415	557-1877
San Jose		1550 The Alameda, Suite 220, 95126	408	277-1231
San Luis Obispo		940 Chorro St., 93401	805	549-3131
San Mateo		520 So. El Camino Real, Suite 740, 94402	415	573-3578
San Rafael	8-12 & 1-5 M thru F	496 B St., 94901	415	454-9511
Santa Ana		28 Civic Center Plaza, Room 239, 92701	714	558-4051
Santa Barbara		411 E. Canon Perdido St., Room 11, 93101	805	965-4535
Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	423-6683
Santa Maria		1529 Stowell Center Plaza, Suite B, 93454	805	925-7417
Santa Rosa		1726 Corby Ave., 95402	707	542-2377
Sonora	8-12 & 1-5 M thru F	101 S. Stewart St., 95370	209	532-6979
South Lake Tahoe	8-12 & 1-5 M thru F	3368 Lake Tahoe Blvd., Suite 302, 95705	916	544-4816
Stockton		31 E. Channel St., Room 264, 95202	209	948-7720
Susanville	9-1 M thru F	80 N. Roop St., 96130	916	257-3429
Ukiah	8-12 & 1-5 M thru F	262 E. Smith St., 95482	707	462-2408
Vallejo	8-12 & 1-5 M thru F	440 Santa Clara St., Suite 2, 94590	707	642-7546
Van Nuys		16933 Parthenia St., Sepulveda 91343	213	891-6602
Ventura		4258 Telegraph Rd., 93003	805	654-4523
Visalia		213 N. West St., 93277	208	732-5641
West Los Angeles		11870 Santa Monica Blvd., 90025	213	879-0600
Woodland	8-12 & 1-5 M thru F	96 W. Main St., Suite 2, 95695	916	662-7331
Out-of-State Field Offices				
Sacramento Headquarters		1820 14th St., 95814	916	322-2010
Chicago, Illinois		150 N. Wacker Dr., Room 1550, 60606	312	782-7253
New York, N.Y.		675 Third Ave., Room 520, 10017	212	697-4680
Houston, Texas	(By appointment)	9800 Northwest Freeway, Brookhollow 2, Suite 108, 77092	713	681-1106

Property Tax Field Offices				
Eureka (Timber)		1656 Union Street, Room 120, 95501	707	445-2031
Fresno (Local Property Tax Monitoring)		2550 Mariposa St., Room 5012, 93721	209	445-5305
Hayward (Local Property Tax Monitoring)		795 Fletcher Lane, 94544	415	881-3584
Hayward (Valuation)		795 Fletcher Lane, 94544	415	881-3544
Redding (Local Property Tax Monitoring)		662 Azalea St., 96001	916	246-6256
Redding (Timber)		2400 Washington Ave., Suite 210, 96001	916	246-6581
Sacramento (Local Property Tax Monitoring)		1325 S Street, 95814	916	322-3820
Santa Ana (Local Property Tax Monitoring)		28 Civic Center Plaza, Room 131, 92701	714	558-4014
Santa Ana (Valuation)		28 Civic Center Plaza, Room 131, 92701	714	558-4011

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